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ABSTRACT

Lithuania experienced strong negative changes to gross domestic product (GDP) after independence, but the trend has reversed since 1994. Labor force participation and employment rates for 15-64 year-olds has decreased; the unemployment rate is 17 percent. Employment has increased in the services sector but decreased in agriculture, which accounts for a large proportion of employment. Educational attainment is high, with a strong bias in favor of higher education. Participation in labor market and continuing vocational training remains low. Public expenditure on formal education fluctuates around 6 percent of GDP. Public expenditure on vocational schools decreased from 2% of total national budget expenditure in 1999 to 1.7% in 2001. This corresponds to a decrease in total vocational enrollment, from 56,000 in 1998-1999 to 47,000 in 2000-2001. Laws aim to combine the various strands of education and training to develop a comprehensive system, but lack of funds leaves many actions unimplemented. Policy development shows considerable overlap and duplication of effort. Public support for continuing vocational training is limited to labor market training for the unemployed and those in danger of redundancy. Lack of developed links between initial vocational education and labor market training makes adult participation in labor market training difficult. Well-established public employment services play an important role in implementation of national employment policy. Lack of and large variation in resources across areas limit Lithuania's capacity to implement coherent employment policies. (Appendixes include a 105-item bibliography and 33 figures.) (YLB)

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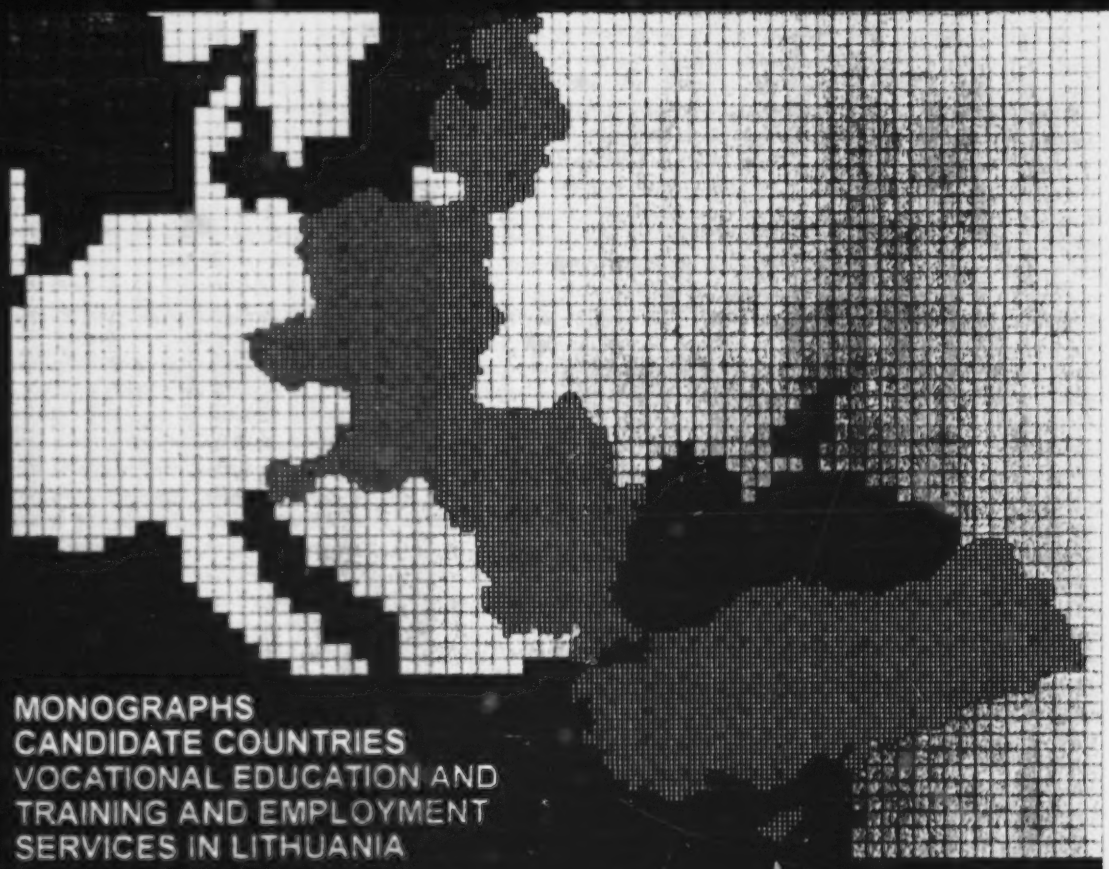

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VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN LITHUANIA

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LIST OF ACRONYMS

CVT	Continuing Vocational Training
CVTS2	Continuing Vocational Training Survey
ECDL	European Computer Driving License
EDC	Education Development Centre
ESF	European Social Fund
EU	European Union
GDP	Gross Domestic Product
HRD	Human Resource Development
JAP	Joint Assessment Paper on Employment Policy Priorities in Lithuania
LFS	Labour Force Survey
LLE	Lithuanian Labour Exchange
LLL	Lifelong Learning
LMT	Labour Market Training
LLMTA	Lithuanian Labour Market Training Authority
LMTC	Labour Market Training Centre
MBO	Management by Objectives
MES	Ministry of Education & Science
MSSL	Ministry of Social Security & Labour
NDP	National Development Plan
NLE	National Labour Exchange
OECD	Organisation for Economic Co-operation and Development
PREA	Private Employment Agency
QA	Quality Assurance
RRU	Rate of Return to Unemployment
RTC	Regional Training Centre
SODRA	State Social Insurance Fund
TLE	Territorial Labour Exchange
VET	Vocational Education and Training

EXECUTIVE SUMMARY

The country monograph on vocational education and training and employment services provides baseline information and analysis aiming to identify the progress in implementing the priorities identified in the Joint Assessment Paper on Employment Policy (JAP) agreed between the Government of Lithuania and the European Commission. Current EU policies based on the Lisbon conclusions, such as the lifelong learning initiative, and the European Employment Strategy set the framework for the analysis.

1. THE CONTEXT

a) Economic development

- Lithuania experienced strong negative changes to GDP during the years after independence. This trend was reversed in 1994. The average growth rate of GDP between 1995 and 1998 was 5.1% compared to an EU average for the period 1995-1999. In 1999, following the Russian crisis, GDP decreased by 3.9%. The trend has again been reversed and the estimated growth rate in 2001 was 5.9% and a similar rate is expected for 2002.
- GDP per capita amounted to € 3,481 PPS in 2000, which is 15.5% of the EU average at € 22,530 PPS.
- Table 1 shows that Lithuania's economy is rapidly adopting the structure prevalent in the EU.

b) Key employment and labour market developments

- The total labour force was 1,759,000 in 2001. The labour force participation rate of the 15-64 age group decreased from 76% in 1995 to 69.7% in 2001. The employment rate for 15-64 year olds decreased from 62.3% in 1999 to 57.7% in 2001 which is below the EU average at 64.0%. The female employment rate went from 59% to 56.4% but remains higher than the EU average at 54.9%.
- Employment by sector has seen major changes in the transition period. Employment in the services sector increased from 42% of total employment in 1992 to 56% in 2001. Though employment in agriculture decreased from 20% in 1992 to 16% in 2001, it still accounts for a large proportion of employment. In the EU agriculture makes up only 4% of employment.
- The unemployment rate in Lithuania is high at 17% in 2001 compared to 7.6% in the EU. Female unemployment was at 14.2% in 2001 compared to 8.9% in the EU and is lower than male unemployment. The long term unemployment rate is very high at 27.6% (2000) compared to 3.2% in the EU in 2001. The youth unemployment rate was 30.2% in 2001 compared to 16.1% in the EU in 2000.

Table A. Structure of GDP in 1992 and 2000

Structure of GDP in 1992* (in %)		Structure of GDP in 2000** (in %)	
Agriculture and Forestry	11.6	Agriculture and Forestry	7.5
Industry, Construction	48.7	Industry, Construction	32.4
Services	39.8	Services	60.1

** structure of gross value added at current price, Statistical Yearbook of Lithuania, 1997*
*** structure of gross value added at current price, Statistical Yearbook of Lithuania, 2001*

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Table B. Lithuanian labour market and employment performance indicators, benchmarks and targets

Indicators	Lithuania*** (%)		Strategic goal	EU 15 (%)	EU benchmark	
	1999	2001	2003	2001		
Employment rate (15-64 age group)	62.3	57.7	n.a	64.0	70	Goal-2010 (Lisbon)
Employment rate (55-64 age group)	41.8	39.3	n.a.	28.6	50	Goal-2010 (Stockholm summit)
Employment rate –women (15-64 age group)	59.6	56.4	n.a.	54.9	60	Goal-2010 (Lisbon)
GDP-annual real growth	-3.9	5.9	n.a.	1.6	3.0	Lisbon
Unemployment rate	14.1	17	n.a.	7.6	2.8	Average 3 best performance countries (LU-NL-AT)
Long-term unemployment rate (end of year, LLE data)	14.5	27.6****	n.a.	3.2	0.9	Average 3 best performance countries (NL-AT-DK)
Youth unemployment rate	23.7	31.6	n.a.	16.1****	5.6	Average 3 best performance countries (IRL-NL-AT)
Youth unemployment ratio (% population 15-24)	26.5	30.2	n.a.	7.8****	2.9	Average 3 best performance countries (LU-IRL-AT)
Female unemployment rate	12.6	14.2	n.a.	8.9	3.3	Average 3 best performance countries (LU-NL-IRL)

*** *Data was provided by Statistics Lithuania*
**** *Figures for 2000*

c) Demographic development

- The population in 2000 was 3.7 million according to Statistics Lithuania and has fallen by 0.3% since 1990. However, preliminary results of the population census carried out in 2001 indicate that the total population may be overestimated and should only be 3.5 million.

2. FOUNDATIONS FOR LIFELONG LEARNING

a) Participation in education and educational attainment

- According to the official statistics educational attainment is high in Lithuania. According to the Labour Force Survey (November 2001) 80.8% of 25-64 year olds had attained at least upper secondary education (ISCED 3 or higher) whilst 44.3% of 25-64 year olds had attained higher education (ISCED 5 or 6)[1]. In the EU in 2001, 64% of 25-64 year olds had attained at least upper secondary education and 22% higher education.
- In general, there is a strong bias in favour of higher education and upper secondary general education is seen as the best route towards ensuring higher education. In 1996, 68.2% of the basic school graduates continued in upper secondary general education and 30% in upper secondary vocational education. In 2001, these figures had increased to 80.2% and decreased to 19.5%, respectively. At the same time, the proportion of those in upper

[1] It is important to note that Statistics Lithuania considers 'professional colleges' as ISCED5b rather than ISCED4. Depending on how one would classify the professional colleges the percentage of people with higher education may be overstated.

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secondary vocational education, who prepare for the maturity exam, continues to increase. In the school year 2001-02, almost 94% did so. Nevertheless, in 2001, only 3% of the graduates from upper secondary vocational education continued to any form of higher education.

- The gross participation rate in higher education has increased from 33.8% in 1996 to 54.5% in 2000.
- In spite of these overall favourable educational attainment rates, the 1990s saw a negative tendency with an increasing number of young people dropping out of the education system already during basic school. Of the 35-44 age group, only 8% have attained lower secondary education or less but 23% of the 25-29 year olds have attained lower secondary education or less. In 2001, 19% of young people left the school system without even attaining lower secondary education.
- Participation in labour market training and continuing vocational training remains low in Lithuania. According to the LFS in 2001 only 3.7% of the 25-64 year olds participated in education and training. Only 3.6% of the unemployed participated in education and training which indicates a lack of capacity of the Lithuanian Labour Exchange to offer labour market training to the unemployed to improve their employability, especially due to the lack of funding possibilities. Of the total number of registered unemployed 4.5% participated in training in 2000 and 7.6% in 2001. There are limited incentives for employers to promote the participation of their staff in continuing vocational training other than the direct benefits of the training. According to the CVTS2 study 43% of Lithuanian companies could be considered 'training enterprises' in 1999 which places Lithuania in the average among the Central and Eastern European countries. However, only 21% of these companies provided continuing vocational training through participation in training courses to their staff.

b) Financial resources

- Public expenditure on formal education fluctuated around 6% of GDP during recent years from 5.6% in 1995 to 6.5% in 1999, 6.0% in 2000 and 6.1% in 2001. In the Law on Long-term Funding of Science and Education adopted in 2000, a target for public expenditure on formal education was set at 6.5% of GDP in the years from 2001 to 2004. The OECD average in 2000 was 5.5% of GDP compared to 4.8% in Greece, 5.7% in Portugal and 4.0% in Slovakia.
- The share of public expenditure on formal education of total national budget expenditure increased from 21.8% in 1995 to 30.6% in 1999. In 2001 it was 29.4%. The OECD average was 12.9% in 1998. The public expenditure on vocational schools of total national budget expenditure decreased from 2.0% in 1999 to 1.7% in 2001. This corresponds to a decrease in total enrolment in vocational schools from 56,000 in the school year 1998-99 to 47,000 in 2000-2001.
- Expenditure of the Employment Fund for labour market policies increased from 151 million litas in 1999 to 174 million litas in 2001, however, the rate of registered unemployment increased from 8.4% to 12.5% in the same period. Active labour market measures made up 36.3% of total spending in 1999, 24.6% in 2000 and 34.1% in 2001. It was predicted to reach 38.6% in 2002. Spending on vocational training as part of the active labour market measures has decreased from 52.2% in 1999 to 42.2% in 2001. It was forecast at 40.6% for 2002. Out of total expenditure of the Employment Fund, 18.9% was spent on training in 1999 and only 14.4% in 2001. The forecast for 2002 was 15.6% of total expenditure.
- Expenditure on PES administration was 0.08% of GDP in 2001 compared to 0.11% in Denmark and 0.01% in Cyprus.
- According to CVTS2 the expenditure by companies on continuing vocational training courses amounts to 0.8% of total labour costs.

3. INITIAL VOCATIONAL EDUCATION

A common theme in the concepts and laws is the aim of bringing together the various strands of education and training to develop a comprehensive system for Lithuania. Currently, many of the actions required to achieve this broad goal still have to be implemented, partly due to institutional barriers and lack of integrated policy, but mainly due to scarcity of funds. Some progress has been made in policy integration between the different ministries and authorities responsible for the planning and development of human resources in Lithuania. However, as can be seen from the variety of policy initiatives, there is considerable overlap and duplication of effort in policy development. Continuous strengthening of policy integration in the planning processes and the continued development of vocational education and training via use of Phare funds and ESF upon accession will be crucial for Lithuania.

a) Policy and legal framework

- The twelve years of Lithuanian independence have permitted the development of a **contemporary legal framework** for education. Major pieces of legislation are the:
  - Law on Education (1991);
  - Law on VET (1997);
  - Law on Non-formal Adult Education (1998);
  - Law on Higher Education (2000);
  - Law on Long-term Funding of Science and Education (2000).
- A new revision of the Law on Education was presented to the Parliament in 2002.
- The above legal framework addresses both initial vocational education and labour market training, it gave way for the creation **of two separate systems. One under the auspices of the Ministry of Education and Science (MES) for initial vocational education and the other under the Ministry of Social Security and Labour (MSSL) for labour market training (primarily for the unemployed)**. Continuing vocational training of the employed was neither covered nor encouraged through the legal framework. Subsequently, attempts have been made to bring the two systems closer together, which have, however, proven difficult, e.g. legal issues have been one of the stumbling blocks for merging of both vocational schools and labour market training centres into the new Regional Training Centres together with other institutional barriers.
- The **vocational education and training policy** is outlined in the Education Concept (1993) and the White Paper on VET (1999). Key issues addressed in the **White Paper on VET** were the need for *flexibility, accessibility and social partnership*. Furthermore, the principles of lifelong learning were embraced through two key statements:
  - *'the principle of formal recognition of the acquired qualification, irrespective of how it has been acquired';*
  - *'the principle of continuity and progression in VET'.*
- However, the White Paper, which was prepared jointly by the MES and MSSL, has never been officially approved at Government level. Presently, further work on an overarching policy for lifelong learning including continuing vocational training is ongoing through several initiatives. In addition a long-term **Education Development Strategy until 2012** is under development based on the following main principles:
  - *To form a flexible structure of comprehensive education, which brings together the systems of general education, VET and higher education;*
  - *To create an "open" education structure accessible to everyone, where institutions provide both initial and continuing VET;*
  - *To build bridges between formal, non-formal and informal education.*
- The Law on Long-term Funding of Science and Education sets a **target of spending 6.5% of GDP on education** in the period from 2001 to 2004.
- **Main areas of reform initiatives** started relating to initial vocational education since 1990 include:
  - The creation of a national qualifications framework including

national competence based standards, new or modernised curricula, external assessment of students and a quality assurance system in addition to the assessment and recognition on an equal basis of formal, non-formal and informal learning;
  - The delegation of decision making to the school level including curriculum development;
  - The rationalisation of the vocational school network including the creation of Regional Training Centres and giving full responsibility to the MES for the agricultural vocational schools;
  - The decision to introduce non-university higher education (colleges);
  - The review of initial and continuing teacher and trainer training.
- However, the full-scale implementation of most of the reform initiatives has not been possible due to the lack of funding.

b) Resources

Teachers

- Teaching is not considered an attractive profession and the salary level is 90% of the national average for public employees. Vocational teachers must have a minimum of either a university degree, a non-university higher education, or acquired a qualification through either professional college or vocational schools. As of early 2001, 49% of the vocational teachers had acquired higher education, 42% professional college education and 7% vocational education.
- Approximately, three out of four vocational teachers do not have any formal pedagogical qualification and a pedagogical qualification is not compulsory to start teaching. However, in order to achieve certification according to the four categories of vocational teachers it is necessary to have completed a formal initial teacher training either through pre- or in-service teacher training. Teachers are supposed to go through certification every five years, but only 55.1% of vocational teachers have been certified. The salary level is linked to certification and category.

Equipment

- Renewal of school equipment has primarily taken place in schools involved in the different international projects, and a number of schools have to contend with partially obsolete equipment. The lack of financial means and the limited co-operation with industry are the main problems.
- Presently there is one computer for every 18 students in vocational schools and 38% of the schools have internet access. The goal is to provide one computer for every 10 students by the end of 2004 at the latest.

c) Structure and organisation

- The extension in 2000 of the duration of lower secondary school from five to six years and the simultaneous reduction of upper secondary school by one year is a major change to the education system in Lithuania. Presently, the primary and secondary school system is organised in four years of primary school, six years of lower secondary school (basic school) and two (or three) years of upper secondary school. The latter is divided into general and vocational upper secondary education. Upper secondary vocational education can be completed within two years leading to a vocational diploma only or three years leading to both a vocational diploma and the *matura*. Post-secondary vocational education is available especially for those who have graduated from general upper secondary education. School is compulsory until the age of 16.
- There are **two alternative routes** for young people who do not feel at ease in basic school to complete compulsory education either through youth schools or 1st stage vocational programmes in vocational schools. **The Lithuanian education system does not provide a work-based route to obtaining a vocational qualification** through an

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apprenticeship scheme apart from at two schools in a limited number of professions. There are adult education centres where basic and general upper secondary education is offered either at day or evening courses. However, upper secondary vocational education is only available through the main stream system.

- **Progression routes** allow graduates from youth schools and 1st stage vocational education to continue to upper secondary education if the basic school leaving certificate has been attained. For vocational graduates without the matura there is no immediate progression route. For vocational graduates with the matura there are progression routes to all types of higher education. However, only 3% of the graduates from vocational education pursue any form of higher education. There is still no possibility to transfer credits between non-university higher education to university higher education. Progression routes should be further developed.
- Progress in the implementation of a **comprehensive national qualifications framework based on competency based standards has been slow**. At the end of 2001 a total of 36 standards had been prepared and nine were under preparation. Financial problems have limited the number of standards developed. An additional 50 standards will be prepared with the support of the Phare Programme.
- The responsibility for the assessment of acquired qualifications for vocational students is gradually being moved to the **Chambers of Commerce and Agriculture**. However, the progress achieved in involving the Chambers in external assessment of acquired qualifications, while laudable in terms of improving the quality and relevance of VET, progresses slowly despite recent extension to further Chambers. A major hindrance has been the limited financial compensation made available for the assessors. A **quality assurance system** at the school level based on self-assessment, internal monitoring and external assessment continues to be under development.
- Though **modularisation** of curricula in vocational education and in labour market training is ongoing, the modules are not harmonised and do not allow for a flexible attendance at initial vocational education and labour market training. There is **no mobility between labour market training and vocational education**.
- Lithuania inherited a very large technical and vocational school network with many small schools. A **rationalisation of the school network** has started. The main features of the reform were the establishment of colleges, providing non-university higher education, the optimisation of the vocational schools' network and the establishment of multifunctional regional vocational training centres. Though the latter were initially supposed to be created on the basis of mergers of both vocational schools and labour market training centres, this has not happened. This development would retain two separate public delivery systems for labour market and continuing training. As stressed in the OECD education sector review for Lithuania, it is questionable whether this is sound usage of scarce resources and this should be carefully explored further.

d) Delivery

- The structures are in place for the involvement of social partners in vocational education and training e.g. through the VET Council, the Industrial Lead Bodies and the role in external assessment of qualification exams. However, the employers are now hardly involved in the provision of practical training of vocational students and the previously existing links have not yet been re-established.

e) Responsiveness of initial vocational education and training to the needs of the labour market and the individual

- In 2000, 24% of the graduates from vocational education registered as unemployed. This could be an indication that vocational education lacks

relevance to the labour market, but mirrors at the same time the overall high youth unemployment rate which was 30% in 2001.

- Enrolment into upper secondary vocational education has decreased from over 30% in 1995 to under 20% in 2001. There is a strong bias towards general and higher education in Lithuania in spite of ongoing efforts to make vocational education more attractive.
- Special attention should be given to the strengthening of vocational guidance and counselling, as an auxiliary service, which impacts greatly on improving the quality of VET, widening access and averting social exclusion. Guidance and counselling remains underdeveloped with only about 10-15% receiving some form of guidance in secondary schools. The existing provision of vocational guidance and counselling is separated from the education system. There is no professional qualification route for careers guidance and counselling. However, assistance from the 2001 Phare Programme included the development of an overall strategy for vocational guidance and counselling and the creation of a number of counselling centres.
- Within the national qualifications framework the design of national standards and related curricula is based on labour market skills needs analyses though these are usually short term in scope. However, overall initial vocational education still has to improve its relevance to the needs of the labour market. New curricula are competency based and broad based, there is emphasis on core skills and teaching learning methodologies are student oriented. This provides the employability and adaptability of the individual when seeking a place in the labour market.
- There is a high level of **early school leavers** during and at the end of basic education. Although the rate has been improving since 1995, in 2001, 19% of young people left school without attaining lower secondary education. In spite of the alternative ways to achieving lower secondary education described above, a large number of the early school leavers are not caught by this safety net. The LFS for 2001 shows that 23% of the 25-29 year olds had attained basic education or below.

4. CONTINUING VOCATIONAL TRAINING

Public support to continuing vocational training is limited to labour market training for the unemployed and those in danger of redundancy. Overall participation in continuing training in Lithuania remains low at 3.7% of the 25-64 year olds in 2001 according to the LFS.

a) Policy and legal framework

- The **Programme for Increasing Employment** and the **White Paper on VET** are the main policy documents for labour market training of the unemployed. The legal framework includes the **Law on Support of the Unemployed** and the **Law on VET**. The main aims of the Programme for Increasing Employment in relation to VET are:
  - A more efficient use of the capacities of initial vocational training and labour market vocational training institutions;
  - Development of vocational training standards, upgrading of study programmes and closer alignment with labour market needs;
  - Establishment of an independent system of granting qualifications including the recognition of competencies obtained through the non-formal route.
- Though Lithuania has a well developed legal framework and conceptual basis for VET, there is as such not a national strategy for lifelong learning. Also there is no strategy for the development of continuing vocational training of the employed. However, Lithuania has made an important step towards the recognition of formal, non-formal and informal learning at an equal footing, though this has not yet been implemented.

b) Structure and organisation

- The Ministry of Social Security and Labour (MSSL) is the main institution dealing with employment policy matters at national level. The Lithuanian Labour Exchange (LLE) prepares priorities for labour market training funded via the Employment Fund and organises a public tender for contracting out the training requested. The responsibility for defining the content of labour market training lies with the Lithuanian Labour Market Training Authority (LLMTA).
- There is a network of 14 labour market training centres set up by the LLMTA. They now participate in an open call for proposals organised by the LLE to implement labour market training on an equal footing with all other licensed training organisations including the vocational schools. (Concerning the overall institutional network for the delivery of CVT see section 3C above). A total of 286 public and private institutions have been licensed to carry out labour market training.
- Employers contribute to the funding of labour market training via the Employment Fund through their compulsory unemployment contributions to the State Social Insurance Fund (SODRA). There are no obligations on employers to fund continuing training of their staff, nor are there any tax incentives to do so. The CVTS2 study shows that 43% of Lithuanian enterprises can be characterised as 'training enterprises' but that only 21% of Lithuanian enterprises funded continuing training courses for their staff.

c) Responsiveness of CVT to the needs of the labour market and the individual

- The LLE is the main locus in Lithuania for labour market research, however, presently the forecasts of future labour market developments are short term up to one year ahead. Longer term forecasts are not undertaken.
- Participation rates in labour market training and continuing training are low. Only 3.6% of the unemployed and 4.0% of the employed took part in training in 2001 according to the LFS. (7.6% of the registered unemployed). The low participation rate is in itself an indication of the limited responsiveness to the needs of the labour market and the individual.
- The Programme to Increase Employment pays special attention to the needs of vulnerable groups such as young people in prison, the Roma people, the disabled and women preparing to return to work after a period of absence from the labour market. However, the funding possibilities remain limited.
- The lack of developed links between initial vocational education and labour market training makes it difficult for adults, e.g. early school leavers, to re-enter the education system via participation in labour market training. Though labour market training can result in a qualification certificate it does not offer an alternative route to progression to higher levels of education and training. This situation may be altered once the planned recognition of formal, non-formal and informal learning has become reality.

5. PUBLIC AND PRIVATE EMPLOYMENT SERVICES

Public employment services are rather well established and play an important role in the implementation of the national employment policy. However, the lack of resources devoted to both active labour market measures and core employment service activities of the Lithuanian Labour Exchange as well as lack of certainty about the size of these resources, limits the country's capacity to implement coherent employment policies. The large variation in resources across areas of the country is a second major problem.

a) Legal and policy framework

- The legal and policy framework governing public employment services is developed. The Programme for Increasing Employment (2001-2004) is the main strategic policy document on

employment. It is in line with the four pillars of the European Employment Strategy and the Employment Guidelines.

- The Lithuanian Labour Exchange (LLE) is responsible for job-brokerage as well as for managing a range of active labour-market programmes. It also assigns and pays unemployment benefit. The LLE has responsibility for ensuring the legal employment guarantees for the groups identified in the Law on Support for the Unemployed. It may also mediate the employment of citizens' abroad (other organisations may mediate the employment of citizens abroad only with a licence). The services provided by the LLE are free of charge.

b) Structure and Organisation

- The LLE was established in 1991. It consists of the National Labour Exchange together with 46 dependent territorial labour exchanges (TLE). The areas served by the territorial labour exchanges vary in size and population. Therefore, in order to ensure access to the population, some TLEs have sub-district offices in addition to the main territorial office. At present, 28 TLEs have 46 additional sub-district offices. The network of labour offices covers all the territory of Lithuania.
- The LLE has tripartite advisory bodies at both the national and district level. However, the activity of the tripartite commissions remains more formal than effective, and its development receives insufficient attention. Co-operation with foreign partners is well established and is seen as very important in the development and improvement of the LLE's activity.
- The first private employment agencies (PREA) appeared in 1993. Since that time the number of PREAs has gradually increased. The PREAs are mostly located in big towns and do not cover the whole country. Usually these are small businesses employing few persons. No legal acts regulating activities of the PREA are established except cases when an agency seeks to mediate employment of citizens abroad. The PREAs differ by type of clients and staff's qualification as well as by quality of services provided and office equipment. The links between public and private employment agencies are very weak.

c) Resources

- In 2001, nearly 37 million Litas were allocated for staff, administration and overhead expenses of LLE (0.08% of GDP), just over 59 million Litas for active labour market programmes (0.12% of GDP), and about 72 million Litas (0.15% of GDP) for passive programmes. Planned expenditures under these headings for 2002 are 41 million, 75 million and 71 million respectively. Lithuanian expenditure on the three categories – on the core employment service, on active measures, and on passive benefits – is very low relative to the EU and other candidate countries.

Table C: Expenditure on employment policy measures and administration as a percentage of GDP in 2001 (preliminary figures)

	Lithuania	Czech Rep.	Finland	Hungary	Spain
Active measures	0.12	0.21	0.95	0.47	0.73
Passive measures	0.15	0.24	2.02	0.38	1.33
Administration	0.09	0.08	0.12	0.11	0.09

- Currently the LLE has a total staff of 1,312 of whom 54% are front-line staff. Women make up 82% of personnel. According to data from the Labour Exchange, the average age of employees is 41. Personnel in the LLE are of a high quality and are experienced.
- The LLE has introduced information technologies. Almost all staff with direct client contact have a computerised work place. However, the majority of computers in use were obtained in 1990-1995. In the opinion of the Twinning programme experts, the main problem in the field is the use of out-dated hardware. They also indicate the necessity to renew the operational system of the computer network and the data management system.
- Coverage of the LLE among the unemployed has increased from approximately 31% in 1995 to over 70% in 2001. It remains unclear if this increase is caused by the relevance of services provided by the LLE other than payment of unemployment benefits for registered unemployed. It is not possible to assess what share of vacancies is notified to the LLE, or whether this share has been rising in recent years.
- The LLE has been practising management by objectives (MBO) for several years. According to twinning programme experts, the process of MBO in the LLE is well established and the system of *labour market indicators* is in line with those used in the EU, but the system of *performance indicators* needs some improvement.

d) Specific issues

- In territorial labour exchanges (TLE) the number of personnel varies from 13 to 181. Great variations characterise the ratio of the labour force to the number of TLE staff (from 553 to 3164) as well as to the ratio of unemployed registered in the TLE to front-line employees (from 76 to 641). The workload in some of the TLEs is considerably bigger compared to others and this is likely to produce wide variations in the quality of services provided.
- The main resource problems are related to uncertainty of funds and the uneven distribution of resources across the TLEs. The impression is that the TLEs differ greatly both quantitatively and qualitatively.
- Though the Labour Exchange assesses that most of the registered unemployed do not meet the needs of the labour market (they either have no qualification or an outdated one), according to the LLE less than 8% of all people in active measures took part in vocational training in 2001.

6. CONCLUSIONS

- Lithuania has a well-developed legal framework and conceptual basis for the development of a modern vocational education and training system geared towards the needs of the labour market and the individual and structures have been created to support the delivery of labour market training for the unemployed;
- Lithuanian concepts are in accordance with the Lisbon Council conclusions, the Employment Strategy and the Memorandum on Lifelong Learning;
- However, a number of issues remain which Lithuania will have to address in the near future. A key issue is the discrepancy between concepts and initiatives, which have been started on a pilot basis and the lack of funds to ensure large scale implementation of the same initiatives. The lack of funding is often quoted as the main issue, however, Lithuania spends approximately 30% of public budget expenditure and 6.1% of GDP on education and though the target of GDP expenditure is 6.5%, it will be difficult to increase expenditure substantially;
- This leads to a need for rationalising the system to allow for internal savings. In this regard it will be important to improve the overall policy integration and co-ordination and especially the links between initial and continuing VET;
- The large group of people without a qualification poses a major challenge. Firstly, additional preventive measures

are required in basic school to reduce the number of early school leavers. Secondly, the overall quality and relevance of education and training must be improved in order to avoid the continued existence of a large group of un-qualified people;

- The guidance and counselling system may have an important role to play but presently remains underdeveloped with only about 10-15% receiving some form of guidance in secondary schools;
- Participation in initial vocational education has been decreasing in spite of the attention paid to reforming and aligning the system towards the needs of the labour market and the individual. Also participation in continuing training is low at approximately 4% of the working age population;
- The network of public employment agencies ensures access all over the country and structures for social dialogue are in place. The LLE has embraced information technologies to improve its services;
- The main problems relate to the lack and uncertainty of the resources devoted to active labour market measures and core employment service activities. Lithuania's expenditure on these activities as well as on passive labour market measures is low compared to EU Member States;
- There are differences in both the quantitative and qualitative service level between the territorial labour exchanges.

1. INTRODUCTION TO LITHUANIAN EMPLOYMENT POLICY AND THE JAP PRIORITIES

1.1 ECONOMIC AND DEMOGRAPHIC DEVELOPMENT

After the restoration of independence in 1990 Lithuania has experienced great economic, political and social changes. The transition towards a market economy has not been easy for the country, especially in 1992 and 1993. In 1992 inflation was 1012% and the yearly change in GDP was negative (-21.3%). In 1994 the Lithuanian economy started recovering and grew for several years[2]. The average growth of GDP between 1995 and 1998 was 5.1%[3] (EU average in period of 1995-1999 was 2.4%). However, because of the crisis in Russia (1998-1999) Lithuania lost its export markets in the New Independent States, which negatively influenced economic output in 1999. GDP decreased by 3.9% compared to 1998.

After the export flows were successfully reoriented to Western markets in 2000, GDP increased by 3.8% compared to an EU average of 3.3%. GDP per capita at the same time was € 3,481. This growth continued in 2001 and is estimated at 5.9% according to preliminary results for the whole year. The same trend was observed in 2002.

Following the structural changes of recent years the structure of the Lithuanian economy has become similar to that of EU Member States (see Table 1). The service sector has continued to grow over the last decades whilst the agriculture and forestry sectors as well as the economy and construction sectors have continued to decline. The economy is highly dependent on trade, but also other services have expanded such as tourism and information technologies (IT). The IT sector is one of

2 In 1995 GDP rose by 3.3%, in 1996 – by 4.7% and in 1997 – by 7.3 %. The average GDP growth in 1998 was 5.1%. Inflation was 35.7% in 1995, 13.1% in 1996, 8.4% in 1997 and 2.4% in 1998.

3 National Development Plan 2002-2004, Lithuania

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the most rapidly expanding economic activities (from 1995 it was growing at an annual rate of 17%; in 1999 at 15.2%). Industry remains an important sector of the economy as well. In 2000 the share of industry has increased from 22.9% of GDP in 1999 to 26.2% in 2000. The increase was caused mainly by the increase of mining and manufacturing industries. This fact proves that Lithuanian industrial companies are gradually adjusting to the complex conditions of international economic activity.

Table 1. Structure of GDP in 1992 and 2000

Structure of GDP in 1992* (in %)		Structure of GDP in 2000** (in %)	
Agriculture and Forestry	11.6	Agriculture and Forestry	7.5
Industry, Construction	48.7	Industry, Construction	32.4
Services	39.8	Services	60.1

** structure of gross value added at current price, Statistical Yearbook of Lithuania, 1997*
*** structure of gross value added at current price, Statistical Yearbook of Lithuania, 2001*

A rapid pace of reform evoked certain economic and social concerns, which have not so far been smoothed over successfully. One of them is the high level of unemployment. Based on labour force survey data, the unemployment rate in 2001 was 17% compared to 7.6% in EU. It should also be mentioned that the influence of the transition period on various Lithuanian regions was different taking into account their economic structure (at the beginning of the period) and geographical location. Investments were usually allocated to the most developed regions what partly caused big regional differences. For example, based on Labour Force Survey data, the employment rate of population (aged 15-64) in 2001 varied from 53.5% to 54.6% and unemployment rate from 14.2% to 21.9% in different counties.

Lithuania's population was 3.7 million in 2000 according to Statistics Lithuania and has declined by approximately 0.3% since 1990[4]. In the early part of the decade, a small excess of births over deaths was offset by net emigration, mainly to former USSR republics. More recently, deaths have exceeded births by a small margin, but net migration has also fallen to very low levels. The number of children aged under 15 in the population has fallen by about 100,000 over the last decade, while the number of people aged 65 and over has risen by a similar amount. The working-age population (aged 15-64) has been static, at just under 2.5 million. The demographic outlook is for continued stability of the working-age population over the next decade.[5]

1.2 EDUCATIONAL ATTAINMENT

For the moment the educational attainment of the Lithuanian population is higher than the EU average. According to the data of the Labour Force Survey (as of November 2001) over 80% of the 25-64 year olds has at least secondary education, while 44.3% of this age group have attained higher (including graduates of professional colleges) education.[6]

At the same time a negative trend with regard to the educational level of young adults, who graduated after 1990, became apparent. Education attainment by young people is lower than that of elder generations. The LFS for 2001 shows that in comparison to only 8% of the 35-44 year olds who have attained basic education or below, 23% of 25-29 year olds had attained basic education or less. The situation is more pronounced for men than for women: in 2001, 28% of 25-29 year old men had basic and lower education, while women with basic education level or less comprised 18% of this age group.

4 A population census was carried out in 2001. Preliminary results show a population of only 3.5 million.

5 April 2001 saw the total population and housing census take place in Lithuania. The first unofficial data suggests that the population of Lithuania has decreased. Therefore, it may be necessary to recalculate some indicators of economic activity of the country's residents.

6 It is important to note that Statistics Lithuania considers 'professional colleges' as ISCED5b rather than ISCED4. Depending on how the professional colleges are classified the percentage of people with higher education may be overstated.

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Such a decrease in the educational attainment level of young adults may be explained by increased social problems and a lack of learning motivation during the transition period. Meanwhile, a significant level of failure at the basic stage of education observed in 1995-2001 raises a concern about the worsening problem with the education level of the younger generation.

There were 1.5 million employed people in Lithuania in 2000; the employment rate was 51.2%. The following table shows the relation between the level of education and the employment rate.

Table 2. Employment rate by level of education (by LFS, 2000 average annual)

Education attainment	Employment rate (%)
Total	**51.2**
Tertiary education (post-secondary, college-type and higher)	74.2
Secondary education	59.8
Primary and basic education	23.3

According to the UNDP, the adult literacy rate in Lithuania in 1999 was 99.5%.

1.3 EMPLOYMENT POLICIES AND PRIORITIES

The population growth is negative in Lithuania. The key factor to determine the pace of economic development in the future is efficiency of the labour force. The **National Development Plan** (NDP) 2002-2004 outlines the development of human resources as one of the priorities. The measures planned for the implementation of this priority objective include increasing the competence of the labour force, improving the accessibility and quality of the vocational training system and promotion of social partner involvement. The principal long-term objective of the NDP of 2002 –2004 is as follows:

- Growing competitiveness of the national economy determining a rapid development of the knowledge-based economy, expressed first of all by the real growth of the GDP and employment rate, and resulting in the growing welfare and higher living standards for the whole country and all its citizens.

Preparation of the Single Programming Document for 2004-2006 is ongoing.

The **Programme for Increasing Employment** (2001-2004), drafted under the responsibility of the MSSL and approved by the Government in 2001, is recognised as the main strategic policy document on employment in Lithuania. The Programme's structure **corresponds to the four-pillar structure of the European Employment Guidelines**, and its main strategic objectives are:

- to cope with negative consequences of structural economic reforms and the external impact on employment and the labour market;
- to increase employment, reduce unemployment and restore balance on the labour market;
- to prepare for participation in the EU employment policy co-ordination process.

More specifically, the Programme aims to curb the increase in unemployment by the first half of 2002, and subsequently to reduce registered unemployment to 7-8%. Over the life of the Programme it is envisaged that the encouragement of business development and investment will lead to the creation of 110,000–120,000 new jobs. A longer-term target is to increase the employment rate so that it reaches the average level of the EU member states and to seek full employment.

The Programme includes the following priority areas or directions:

1. developing entrepreneurship and job creation
2. improving employability
3. encouraging adaptability of businesses and their employees

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4. strengthening equal opportunity policies
5. enhancing the effectiveness of employment policy

Priorities 2, 3 and 4 of the Programme are related to developing the potential of human resources based on a lifelong learning approach. Improving employability stresses two priorities: increasing employability skills and vocational training for young people (up to 25 years) who are starting work, and for the long-term unemployed. The measures to promote a smoother and better integration of young people into the labour market are to a large extent related to vocational guidance, counselling and information provision. For example, the plan includes provision for the development of a special course in careers education for inclusion in the final stage of the basic and secondary general education. The plan also foresees the development of Youth Work Centres and the further expansion of the Lithuanian System on Educational Information. Measures are expected to be introduced to increase the mobility of young people by addressing the uneven distribution of educational institutions, overcoming regional differences in the supply and demand of the labour force, and providing favourable conditions for students to undergo work practice during their education.

The development and improvement of the vocational training system is related to:

- a more efficient use of the capacities of initial vocational training and labour market vocational training institutions;
- renovation of the training facilities within vocational training institutions;
- development of vocational training standards, upgrading of study programmes, and closer alignment with labour market needs, which should be surveyed regularly;
- implementation of the National Distance Education Development Programme (2001-2005);
- further development of the colleges' (non-university higher schools) network;
- establishment of an independent system of granting qualification, including the recognition of competencies obtained through the non-formal route.

The third priority within the Programme for Increasing Employment - *encouraging adaptability of businesses and their employees* - stresses the necessity to modernise work organisation through strengthening social partnership, and incorporating more flexible types of contract in to national law. Special emphasis is placed on the in-service training of employees, their skills upgrading, and the legislation that supports it. The latter is planned to be harmonised in 2003.

Under the heading of promoting equal opportunities in the labour market (the fourth priority within the Programme to Increase Employment), the development and implementation is envisaged of special training programmes for separate target groups such as:

- young people in prison;
- the Roma people;
- those in military service;
- women preparing to return to work after a long break (e.g. maternity leave);
- disabled persons.

The Lithuanian Labour Market Training Authority is primarily responsible for these actions.

In 2001, Lithuania was invited to participate in Employment Policy Review as the first step towards full participation in the European Employment Strategy upon accession to the EU. This resulted in the signing of the **Joint Assessment of Employment Policy Priorities in Lithuania (JAP)** approved by both the Government of Lithuania and the European Commission at the start of 2002.

The JAP identified a number of short-term employment and labour market policy priorities where progress is still needed, namely:

- Sustained commitment to successful implementation of current education reforms, with a particular focus on

reducing drop-out in basic education, on improving access, quality and relevance in vocational education, and on developing and implementing a national strategy for lifelong learning;

- Promoting employment-friendly wage developments through support for the collective-bargaining system and through consideration of whether the minimum wage should be differentiated, particularly for young people;
- Reducing the "tax wedge", particularly at lower earnings levels;
- Reforming unemployment benefits and social assistance for the unemployed in order to improve coverage, eliminate disincentives, and emphasise activation rather than passive receipt of benefits;
- Developing a detailed action plan for the reform of the public employment service, including a necessary increase in the service's resources, so that it can play a more active role in the reintegration of unemployed people;
- Expansion of active labour market programmes, while re-balancing provision away from temporary work in favour of training and other measures designed to increase employability;
- Ensuring effective regional management and consultation structures for labour market services, in the context of a coherent national strategy for economic and social development across all regions;
- Further strengthening equal opportunities legislation;
- Finalising arrangements for the use of ESF funds in support of employment policies, with particular attention to strengthening administrative capacity in the areas of financial management, monitoring and evaluation.

1.4 KEY EMPLOYMENT AND LABOUR MARKET DEVELOPMENTS IN LITHUANIA

The **total labour force** was 1,759,900 in 2001. The total working-age population was almost unchanged throughout the 1990-1999 period (until 1994 the working-age population decreased due to emigration, but in 1995-1999 it increased after the working age was extended by law). Despite the above, the official annual number of employed was reduced considerably (by more than approximately 14%) during these 10 years. The labour force participation rate of the age group 15-64 has decreased from 76% in 1995 to 69.7% in 2001. The male participation rate for those aged 15-64 in 2000 was below the EU level (75.5% as against 79.1% in the EU) while the female rate was above that in the EU (67.1% as compared with 59.8% in the EU). In 2001 participation rates of both males and females has decreased (correspondingly 73.8% and 65.9%).

The **employment rate** for the 15-64 years olds in 2001 was 57.7% compared to 64% in the EU. The employment rate for males at the same time was 59% and for females, 56.4%. A decreased employment rate is observed, i.e. the employment rate for the 15-64 years olds in 1998 was 62.3%. The same trend remains for both males and females.

Employment by sector has seen major changes in the transition period as reflected in the table bellow. The level of employment has decreased to the largest extent in industry and construction. Increased employment is observed in the service sector but it still remains below the EU average (68.8% in 2000). Despite decreased employment in agriculture and forestry sectors the share engaged in agriculture is approximately four times the EU average.

Table 3. Employment by sector (%)

Employment by sector	1992*	1998	2001**
Agriculture and Forestry	20	20	16
Industry, Construction	38	28	27
Services	42	51	56

** Statistical yearbook 1997*
*** Data was provided by Statistics Lithuania*

The **unemployment rate** is high compared with the EU average. Based on Labour Force Survey data in 2001 it was 17%

compared to 7.6% in the EU. In the 1994 to 1998 period, the unemployment rate constantly decreased but, due to the economic recession in 1998, it has started to rise again. A similar trend is observed when analysing data on registered unemployed by the Lithuanian Labour Exchange (LLE), i.e. the annual average registered unemployment rate has increased from 5.9% in 1997 to 12.5% in 2001. Present monthly data indicate that the registered unemployment rate should decrease in 2002. According to data of the Labour Force Survey the unemployment rate of males in 2001 was 19.7% and of females 14.2%. The youth unemployment rate considerably exceeds the general unemployment rate and is above the EU average. In 2001 it was 30.2% compared to 16.1% in the EU.

In 2000, according to the LFS, 52% of the unemployed (or over 8% of the labour force) had been out of work for over one year. The survey results indicate that there had been a sharp drop in the level of long-term unemployment, from almost 130,000 in 1997 to just over 100,000 in 1999. However, the number of long-term unemployed rose again in 2000, to reach 144,000.

Table 4. Lithuanian labour market and employment performance indicators, benchmarks and targets

Indicators	Lithuania***		Strategic goal	EU-15	EU-benchmark	
	1999	2001	2003	2001		
Employment rate (15-64 year olds)	62.3	57.7		64.0	70	Goal-2010 (Lisbon)
Employment rate (55-64 year olds)	41.8	39.3		28.6	50	Goal-2010 (Stockholm summit)
Employment rate –women (15-64 year olds)	59.6	56.4		54.9	60	Goal-2010 (Lisbon)
GDP-annual real growth	-3.9	5.9		1.6	3.0	Lisbon
Unemployment rate	14.1	17		7.6	2.8	Average 3 best performance countries (LU-NL-AT)
Long-term unemployment rate (end of year data)*	14.5	27.6****		3.2	0.9	Average 3 best performance countries (NL-AT-DK)
Youth unemployment rate	23.7	31.6		16.1****	5.6	Average 3 best performance countries (IRL-NL-AT)
Youth unemployment ratio (% population 15-24)	26.5	30.2		7.8****	2.9	Average 3 best performance countries (LU-IRL-AT)
Female unemployment rate	12.6	14.2		8.9	3.3	Average 3 best performance countries (LU-NL-IRL)

* *The labour market and employment of the population 1996-2000*, Statistics Lithuania
*** Data was provided by Statistics Lithuania
**** Figures for 2000

2. VOCATIONAL TRAINING AND LIFELONG LEARNING WITHIN THE CONTEXT OF NATIONAL EMPLOYMENT POLICY

2.1 OVERVIEW OF THE EDUCATION AND TRAINING SYSTEM

2.1.1 LEGAL FRAMEWORK AND INSTITUTIONAL SETTING

Relevant acts governing management, organisation and funding of VET and LLL

The 12 years of Lithuanian independence have been marked by significant achievement in the development of **a contemporary legal basis for education** (see figure 1 in the annex). Among the first laws to be adopted was the Law on Population Employment (1990) - renamed in 1996 **the Law on Support of the Unemployed**. The Law defined the possibilities for continuing education and provided for the training, retraining and re-qualification of the unemployed. It also provided the possibility of setting quotas for employment in the private sector of persons from certain groups disadvantaged in the labour market such as young people under 18, women (and single fathers) with children aged under 14, people within 5 years of retirement age, newly-released prisoners, and the disabled. The **Law on Education** (1991) set the structure for a comprehensive education system, the basis of activities and the management of educational institutions (except higher schools).

These two early laws can be said to have paved the way for the creation of two parallel systems for initial vocational education and training (VET) and labour market training of the unemployed and people in danger of redundancy, respectively. Initial VET became the responsibility of the MES and labour market training of the MSSL.

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The Law on VET, adopted in 1997, covers initial VET of young people and labour market vocational training of the unemployed. It confirms the division of overall management responsibilities between MES and MSSL and details the responsibilities of each. At the same time, the law allows a VET institution to implement both initial VET and labour market training. Furthermore, the law describes the competence of social partners in the VET area and foresees their involvement in national curriculum issues, practical training arrangements and qualification examinations. The law does not cover CVT of the employed and there is as such no legal framework for CVT in Lithuania.

In 1998 a **Law on Non-formal Adult Education** was passed. It regulates the system of non-formal adult education, its structure and management, the basis of activities, and provides legal guarantees for the participants. It commits the providers of non-formal adult education and their social partners "to provide assistance in implementing the inborn right of a person to lifelong development of his/her personality".

In 2000, the **Law on Long-term Funding of Science and Education** was passed. It states:

"the Parliament of the Republic of Lithuania, taking into consideration the importance of science and education for the economy of Lithuania, welfare of people and stability of the state, stating the insufficient state and municipal funding of science and education, understanding the importance of the efficiency of science, studies and education, passes this law."

The law set a **target for the funding of education** in the period 2001 to 2004 to be at least **6.5% of GDP**. At the same time a target was set for **science and research** at 1.35% in 2001 increasing gradually to 2% of GDP in 2004.

In 2000 a **Law on Higher Education** was passed, providing the legal basis for the establishment of non-university higher schools in Lithuania. This led to the introduction of "colleges" despite initial opposition from the universities and had a significant impact on the development of the vocational training system.

In **2001 a new edition of the Law on Education** was developed; currently this is in **draft** form. It has been approved by the Government and passed to the Seimas (Parliament) for discussion and approval. In this law, the Lithuanian education system is described as covering formal, non-formal and informal learning. The law states that the main goal of non-formal adult education is to create conditions for an individual to learn throughout the whole of his/her life, to satisfy his/her self-education needs, to improve qualifications acquired earlier and to acquire additional competences. Thus it can be said to embrace the idea of lifelong learning.

Decision making and management responsibilities

Ministry of Education and Science

The **MES** has executive power, the Regulations of which state that the Ministry:

- formulates and implements the public policy on pre-school, children and youth comprehensive and special education, initial vocational and higher as well as adult education, encourages a positive view of learning and provides conditions for lifelong learning in a changing democratic society;
- formulates and implements the public policy on Science and the study of Science (higher education, scientist training, upgrading specialists who have obtained higher education and their requalification).

The major **functions** as performed by the MES are as follows:

- to create the documents which define the standards for public education;
- to oversee the management of education institutions;
- to take responsibility for the upgrading of the professional qualifications of

teachers, heads of education institutions and education inspectors, including their appraisal, and recognition of any education attained abroad, including recognition of any certificates or diplomas obtained;
- to set the funding principles for the operation of education institutions and the financing of public education programmes;
- to organise the final examinations for the major subjects at secondary education level.

In 2000 responsibility for all vocational and college-type schools was transferred to the MES, so other ministries do not directly participate in the management of initial VET. However, most ministries are responsible for the in-service training programmes of their employees.

The MES comprises six main units or departments (see figure 2 in the annex). Vocational training is led by the VET Department, which consists of: the Vocational Training, Professional College Studies and Register Divisions and the Adult Education sector. The total number of staff responsible for vocational training issues at the Ministry is 17. This compares with the General Education Department, which has 25 employees. Staff at the VET Department are not only responsible for general policy formulation, but also perform administrative functions in connection with vocational schools and professional colleges.

The Adult Education sector is responsible for general adult education, the development of the distance education system and the drafting of legislation for non-formal adult education. There are two employees working at the sector. The development of distance education is being conducted in conjunction with the **Lithuanian Distance Education Centre**[7]. Since 2001 the **Distance Education Council** has operated under the MES. The Council is an advisory body that also tackles developmental issues relating to distance education.

The curriculum content of general education is the responsibility of **the Education Development Centre**. The Centre defines the curriculum content and structure, designs and disseminates teaching and learning materials, monitors the general education system and suggests developments. The Centre has 42 employees.

The **Methodological Centre for VET** provides the teaching and learning support for initial VET institutions. The Centre:

- organises the development of vocational training standards and the revision of study/training programmes;
- develops teaching and learning resources;
- issues information and analytic reports and ad hoc studies pertaining to various aspects of VET;
- provides methodological support to vocational schools, professional colleges and colleges on issues of quality assurance (see also section 2.2.1 p. 50).

The Centre has a staff of 22 and it performs a similar support function to the EDC for VET schools. The function of VET policy development has not been formally delegated to the Centre, although its activities impact upon policy decisions.

The Director of the **VET Department at the MES** is the main officer responsible for the efficiency and quality of initial vocational training institutions. He also shares responsibility for human resource development in Lithuania with the MSSL and other ministries from corresponding sectors. The MES and the MSSL jointly manage the Phare social and economic cohesion programme support for human resource development.

Ministry of Social Security and Labour

The **MSSL** is the main institution dealing with employment policy matters at national level. However, it does not have a division responsible for continuing vocational

7 The LDEC was established in the framework of the Phare Multi-Country Programme for Distance Education in 1994. Four people are employed in the Centre; they keep in contact with all institutions providing distance learning in Lithuania and assist the MES in co-ordination of the distance education projects implemented in the country.

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training policy development. In Lithuania the responsibility for the organisation and implementation of continuing vocational training is delegated to the **Lithuanian Labour Market Training Authority** (LLMTA) under the MSSL.

The LLMTA implements labour market training policy, and organises VET information and counselling services. The LLMTA has 6 branches – the Territorial Labour Market Training and Counselling services (in Alytus, Klaipeda, Panevezys, Siauliai, Kaunas and Vilnius). The total number of staff at the LLMTA and its branches is 175 employees (the LLMTA's structure is presented in figure 3 in annex, refer also to section 2.1.4 p. 44).

Local and regional authorities

The 60 **local authorities** (municipalities) in Lithuania are responsible for organising and funding pre-school, primary and secondary general education and for ensuring that all school-age children up to 16 years of age attend either comprehensive school or another school available within the system of formal education.

In comparison to the municipalities, the ten **County Governor Administrations** perform a supervisory function for education rather than its day-to-day management. The Department of Social Issues and Education at the County Governor Administration houses the public education **inspection**, which checks the activities of education institutions. In addition, the county governors, like the Municipalities, are responsible for ensuring that all children under 16 participate in education. They have special responsibility for the mainstreaming of disabled children into the education system.

Presently, both the municipalities and the counties play a limited role in initial VET and labour market training apart from participating in the regional VET Councils and the TLE tripartite boards.

The **new draft Law on Education** provides simpler and clearer wording concerning the obligations and responsibilities of the MES as well as other ministries, departments, county governors and municipalities. The county governors and the municipalities are likely to become responsible for ensuring an adequate and efficient network of education institutions in their regions, for implementing the national education policy with respect to the formulation and implementation of regional education policy, and strategic and annual plans. This should promote a more proactive approach to tackling education and human resource development issues at regional and local level, which is currently lacking.

The role and responsibility of social partners

The **Law on VET** defines the competencies and functions of the social partners in vocational training. The **employers'** interests are represented by the Chambers of Industry, Trade and Crafts and the Chamber of Agriculture (from now on to be referred to as "Chambers"), the Confederation of Lithuania's Industrialists and the Lithuanian Businessmen Association. The interests of **employees** are represented by the trade unions. According to the VET law, both chambers and trade unions shall submit proposals to the VET Council (refer below) for setting up the requirements for vocational training curricula and qualification examinations, and participate in the organisation of the qualification examination.

In addition, the chambers register the agreements between the vocational training institution, enterprise and student for practical training, and provide general supervision of the signing and implementation of the agreements. The structure of each chamber includes a vocational training division, the staff of which (2-3 people) implement activities as set out in the law pertaining to the employers' participation in the vocational training processes. In 2001, an **Education Committee of the Lithuanian Chamber Association** was established to provide direct links between the representatives of vocational training institutions and employers, and to investigate social dialogue problems and agree solutions.

In accordance with the move towards decentralisation of management functions in vocational training and in an effort to increase the relevance and improve the quality of VET, the chambers have, since 1998, gradually assumed responsibility for organising the final qualification examination, both for initial VET and for labour market training programmes. In the school year 2001-2002, three out of five regional chambers covered six out of ten regions in Lithuania. (Refer to 2.1.4 p. 46 for more details).

The **Lithuanian VET Council** was set up under the social partnership principle in 1998. It is a consultative body that performs a co-ordinated strategic advisory function to the MES and MSSL in relation to VET issues. The Council includes representatives from the MES (Director of the VET department), MSSL (Vice Minister), LLMTA (General Director), Chambers, Trade Unions, Ministry of Economy, Ministry of Agriculture, Colleges association and VET schools association etc. At regional level, **County VET Councils,** established in all the counties of Lithuania, provide a co-ordinated focus for advice and expertise. Regional VET Councils initiate new specialisms, assist in the organisation of students' practical placements and in the renovation of practical facilities in the schools. However, in the majority of counties, VET Councils have limited influence on final decision making.

Although the structures are in place to facilitate participation, involvement of social partners in VET remains patchy and in some areas insufficient due to lack of enthusiasm and experience in the field. This is compounded by the scarcity of financial compensation available from the state (refer to sections 2.1.2 p. 32 and 2.2.1 p. 50).

2.1.2 POLICY FRAMEWORK

Key policy objectives for VET and LLL

The last decade has been marked not only by numerous changes within the education system, but also in the concept of education itself. As stated above, the new draft version of the Law on Education includes the concept of lifelong learning.

In 1993, the Lithuanian Education Council and the Board of the MES approved the **Education Concept**, which emphasised the necessity of creating a **unified education system**, which provides children and young people with a *"comprehensive education corresponding to contemporary requirements and develops a person's desire for lifelong learning"*[8]. It further stated that adult education, both formal and non-formal, should form the biggest integrative part of the permanent education system.

A concept for vocational training was developed through the **White Paper on VET** under the Phare VET Reform Programme (1998-1999). This represented an attempt to encourage a unified vocational education and training system through a system-wide reform. It provided an opportunity for all the actors and stakeholders in VET to reach agreement on the essential principles of VET and to create a vision for its short and long-term development. Key principles established for VET included flexibility, accessibility (which declared equal rights and opportunities for all irrespective of age, gender, nationality, religious beliefs or other differences) and social partnership. In addition, two principles were agreed that are crucial within the context of lifelong learning, namely *'the principle of formal recognition of the acquired qualification, irrespective of how it has been acquired'* and *'the principle of continuity and progression in VET'*. VET is understood as a continuous process, embracing pre-vocational training, initial vocational training, in-service training, vocational re-qualification and retraining. The overall goal of the concept is to enable individuals to obtain qualifications through a variety of

8 Lithuanian Education Concept, 1993

means, to ensure the engagement in learning of every active member of society, and to encourage the acquisition of new qualifications.

Although the MES and MSSL approved the White Paper on VET, the document was not approved at Government level. Alongside the White Paper on VET, an Action Plan for 1998-2005 was drafted to implement the activities as defined under the strategy. However, limited progress has been made on this due to insufficient funding. The fact that it does not have Government approval means that it is accepted as a concept but not as a programme, and as such has no guarantee of funding.

Under a 1999 **initiative by the President** of the Republic of Lithuania work is being conducted by a group of experts to develop a long-term (until 2012) **Education Development Strategy**. The main objectives are as follows:

- to form a flexible structure of comprehensive education, which brings together the systems of general education, VET and higher education;
- to create an "open" education structure accessible to everyone, where vocational and higher education institutions provide both initial and continuing VET services. The existing "labour marker training" structure would be integrated into this new open structure;
- to build bridges between formal, non-formal and informal learning.

Undoubtedly this document will inform a comprehensive strategy and implementation plan for lifelong learning. In common with the majority of countries of Europe, **Lithuania has not yet developed a strategy for lifelong learning.**

The **Government Programme 2001-2004** includes a plan to draft **the National Education Development Strategy** (by the end of 2002) for approval by Parliament. The aim of this is to secure the long-term agreement of a variety of groups on the strategic issues of education. Its **objectives** are:

- to ensure lifelong learning possibilities;
- to combine formal and non-formal adult education, initial VET and labour market training;
- to integrate special target groups into the system of adult education.

In addition to the Strategy will be an action plan to ensure its implementation.

The following **priorities** are set in the Government programme **for education and vocational training:**

- To ensure state-funded secondary education for every young person;
- To lessen the difference between the general education provided in vocational and secondary schools;
- To maintain the youth schools and schools for adults; to expand the variety of school types, including the private schools; to provide the conditions for obtaining secondary education, vocational qualification or profession by a variety of means.
- To reach the level of at least one computer per 10 pupils.
- To establish a unified system of teacher training, qualification upgrading and re-qualification etc.

The **Programme to Increase Employment** (2001-2004) is the main strategy document on employment (refer chapter 1). Some measures listed within the Programme for Increasing Employment are under implementation already, e.g. the National Distance Education Development Programme has already been prepared. This Programme is aligned with the Lithuanian National Information Society Development Concept, which was approved by the Government in 2001. There are plans to expand the availability and potential of distance education and create a system of quality assurance and monitoring. Programme implementation will be based on the experience gained under the Phare Multilateral Distance Education Development Programme (1995-1999) as well as from the national investment project "Distance Education Development in Lithuania".

Following the Dakar 2000 World Education Forum, "Education for All" in 2001, the

Lithuanian National UNESCO Commission initiated the establishment of the **Lithuanian National Education Forum**. The major objective of the Forum was to develop a long term National Action Plan in order to ensure equal rights to all people in Lithuania to acquire basic education and through this ensure real preconditions for lifelong learning. The Forum participants are scientists, pedagogues, politicians, representatives of the state authorities and business people.

Lithuania organised a very comprehensive consultation process on the Memorandum of Lifelong Learning at both national and regional level in 2001 which provides a good foundation for the future development of a strategy on Lifelong Learning.

The **National Development Plan** for 2002-2004, prepared jointly by the Lithuanian ministries, state institutions, regional and local authorities and social partners, represents a strong commitment by the Government to apply advanced investment and development planning models and plan state investment and international support in an effective and consistent manner. The purpose of the NDP is to set out the state investment policy and to ensure proper co-ordination of the EU pre-accession instruments, namely Phare (Economic and Social Cohesion component), SAPARD and ISPA.

The formulation of the HRD strategy for 2002-2004 drew on a number of documents including: the Programme for Increasing Employment, the Education Concept, the White Paper on VET, the EU's Memorandum on Lifelong Learning and EU Guidelines for Member States' employment policies.

The NDP sets out human resource development as the key strategic priority for Lithuania along with the development of a knowledge-based economy. The document stresses the need to *develop the motivation to study* among labour market participants as well as to *provide conditions for learning* while ensuring the capacity of the work-force to adapt quickly to the ever-changing needs of the labour market. To this end, the strategy for the development of human resources in the National Development Plan sets out the following goals:

- increasing the competence of the labour force;
- improving the accessibility and quality of the vocational training system;
- promotion of social inclusion.

Lithuania will receive **assistance from the Phare Programme** (2001) of which implementation started in August 2002. The main strands of intervention in this project are:

- Development of an overarching LLL strategy including the development of strategies for important parts of the LLL strategy: CVT, guidance and counselling, financing mechanisms; accreditation of non-formal and informal learning;
- Review of VET legislation;
- Continued development of the qualifications framework including the elaboration of three sectoral analyses, development of 50 occupational and educational standards, strategy for external assessment of students, and quality assurance;
- Continued support to the rationalisation of the institutional network through support to existing and new regional vocational training centres;
- Pilot a national ESF type fund to increase the 'fund' management capacity, raise the capacity of VET providers and increase the number of employed and unemployed that receive training.

The majority of the above mentioned programmes, concepts and initiatives correspond with the four pillars of the Employment Strategy and with the key messages in the Memorandum on LLL. However, no single document has defined quantitative targets yet. This will have to be considered when the LLL Strategy, planned for the end of 2002, is drafted.

It is evident that Lithuania has already developed sound concepts and laid the ground for continued development of the policy framework for a comprehensive

approach to LLL. However, while some progress has been made in **policy integration** between the different ministries and authorities responsible for the planning and development of human resources there is **considerable overlap and duplication of effort in policy development** as can be seen from the variety of initiatives described above. Continuous strengthening of policy integration for the strengthening of the human resources in Lithuania hereunder the planning processes for the use of Phare funds and the actual ESF upon accession will be crucial in the further development.

Involvement of the main stakeholders in the definition of VET and LLL policy

The theoretical importance of social partnership for education and training was recognised shortly after Lithuania regained independence – it was expressed in the Education Concept drafted in 1992. Nevertheless the development of a culture of collaboration has been slow. Social partnership was the guiding principle for the Law on VET, which introduced the legal basis for social partner participation in the formation of vocational training policy. As mentioned above (chapter 2.1.1), the Lithuanian VET Council, set up in 1998, consists of equal proportions of representatives from the public government institutions, and members of organisations representing the interests of employers and employees. It operates as an advisory body and solves problems relating to strategic vocational training issues. The Council meets not less than four times a year. Its activities are:

- to submit proposals to the Government concerning laws and policy initiatives related to the development and updating of the vocational training;
- to submit proposals to the Government and other ministries as well as all the institutions interested in vocational training concerning the order and principles of funding for priority programmes;
- to submit proposals to the Government concerning the labour market situation and priorities in the demand for Lithuanian vocational specialists;
- to evaluate the vocational training development programmes;
- to collaborate with the ministries, government and public institutions, County VET Councils as well as with other public and private institutions representing employers.

At the regional level the social partners are invited to sit on the County VET Councils, advisory bodies set up to provide expertise, advice and co-ordination, while making decisions on vocational training issues at county level. The **County VET Councils** were established in 1997 under the County Governor Administration in all 10 counties. For some members, (particularly school principals) the Councils seem to provide a very valuable forum for discussion and collaboration, for others, they are felt to be less useful. Inevitably, much depends on the commitment of individual members.

2.1.3 RESOURCES

Financing

Education overall

In accordance with the Law on Education, the basic source of funding for public education institutions is the state and the municipality budgets. Public funding must ensure standard conditions for the operation of educational institutions. In the **Law on Long-term Funding of Science and Education**, adopted in 2000, the state bound itself to allocate at least 6.5% of GDP to education in the years 2001 to 2004 (refer section 2.1.1 p. 25). This was not achieved in 2001 when 6.1% of GDP was spent on education.

Table 5: State and municipal budget expenditure on education

	1995	1998	1999	2000	2001
Total expenditure, thousand litas					
National budget	1,350,390	2,749,894	2,787,578	2,704,121	2,949,302
Percentage					
National budget	100	100	100	100	100
of which:					
Central government	33.7	33.5	31.7	30.8	34.7
Local government	66.3	66.5	68.3	69.2	65.3
Compared to GDP	5.6	6.4	6.5	6.0	6.1

Information source: Statistics Lithuania, Education 2002

The national budget expenditure for education comprised 2,949 million Litas (2,704 million Litas for 2000), 34.7% came from the state budget, and 65.3% from the municipality budget. In 2001, expenditure on education made up 29.4% of the total national budget expenditure.

Table 6. National Budget expenditure on education

	Compared with total national budget expenditure (%)			
	1995	1999	2000	2001
Total	**21.8**	**30.6**	**28.6**	**29.4**
Pre-school education	2.9	4.4	4.1	4.0
General education schools	10.1	14.6	13.7	14.1
Boarding schools	1.2	1.6	1.4	1.3
Vocational schools	1.6	2.0	1.8	1.7
Professional colleges and colleges	1.0	1.3	1.3	1.2
Universities	2.9	3.9	3.4	4.4
Non-state education institutions	...	0.02	0.02	...
Other education institutions	1.2	1.8	1.7	1.6
Other education functions	0.9	1.0	0.9	1.1

Information source: Statistics Lithuania, Education 2002

Of the total resources allocated to education, 47.9% were allocated to secondary education schools, 5.9% to vocational schools, 4.1% to professional colleges and colleges and 15% to the universities. The share of funding allocated to vocational schools has been decreasing steadily since 1999. For professional colleges it was steady in 1999 and 2000, but decreased slightly in 2001.

General education

There have been significant differences in expenditure on education in the various regions and municipalities. This prompted the **general education schools funding reform** which MES initiated in 2001. Every year the Parliament drafts a Law on the Public and Municipal Budget Financial Indicators which sets the exact amount of resources needed for the education of a conventional pupil for the current year. This amount is called the "**pupil's basic basket**". Should a pupil move from one general education school to another, the so-called pupil's basic basket will follow. For school year 2002, the pupil's basic basket comprises 1,521 Litas.

The pupil's basic basket principle is applied to all types of public, municipal and non-governmental general education schools, including the youth and adult education schools and classes, and adult education centres.

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It is expected that the reform will encourage a more efficient use of the resources allotted for education including a reduction of the number of drop-outs as the funding method provides an incentive for the schools to maintain the largest number of pupils possible. In addition, the schools will be able to plan their activities and corresponding expenses based on student numbers. The reform provides more favourable conditions for the operation of private schools as the basic basket principle also counts for pupils in private schools.

Initial vocational education

The major source of funding for vocational schools and professional colleges is the state budget. State vocational schools prepare a budget proposal according to guidelines given by MES for the coming year. The MES, following a review of the proposals, calculates the total funding requirements for all its VET institutions and submits this to the Ministry of Finance. The latter in turn adjusts the amount requested according to the approved annual budget, and approves the estimate. The MES then divides the amount among the schools based on the approved budget and on individual school needs.

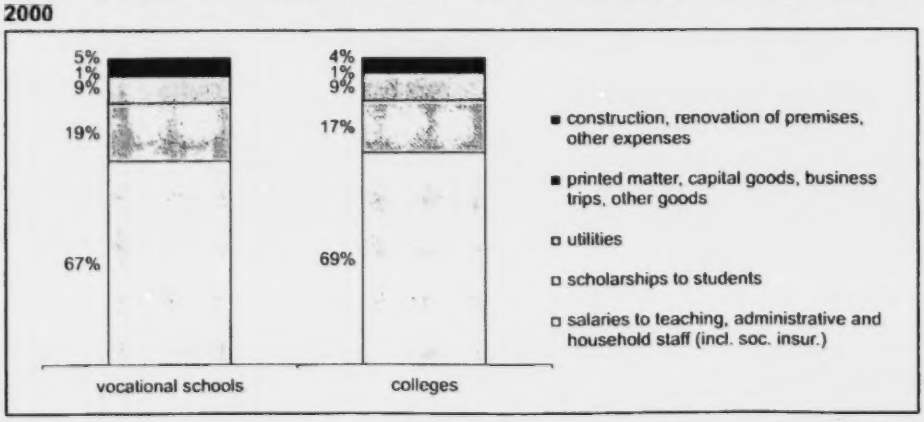
Public spending for one vocational student in 2001 was 4,295 Litas, for the students of college-type schools and colleges it was 3,871 Litas (refer figure 5, annex). Spending per student in these institutions has been rising steadily since 1994 (apart from a slight drop in 2000 for college-type students). This is largely due to two factors. In 2000, responsibility for all agricultural schools, where the cost per student was higher, passed to the MES. In addition, salary increases for public servants including educational staff increased the budget.

The bulk of resources allocated to vocational and college-type schools and colleges was spent on **salaries** for teachers and administrative staff (35% and 17%, respectively, and social insurance taxes (SODRA – at 16%).

It should be noted that there has been a consistent decrease in funding allocated to construction. The growth in salaries and consequently SODRA taxes has resulted in cuts in allocations for maintenance of buildings and equipment. As a consequence, the condition of buildings and equipment is worsening and requires increasing investment. The **lack of resources slows down the introduction of new technologies**. The Vocational Schools Network Optimisation Programme introduced in 2000 was aimed at encouraging more efficient use of the budget resources (as discussed below).

Although the vocational schools and colleges are able **to undertake economic activities of their own**, the income gained from this, based on the data presented, comprises less than 9% of the resources raised from the budget. Premises and equipment are frequently renovated from

Table 7. Structure of expenses of vocational and college-type schools and colleges, 2000



the money raised from the economic activities undertaken by schools. Until 2001 the schools were immediately able to spend the money they earned. This has now changed and each school must submit an estimate of how much it hopes to earn from commercial activity with its annual financial plan. It is then obliged to transfer any income earned to the tax inspectorate. After a period of time the school can reclaim the money from the Ministry of Finance. This 'accountability' mechanism has had a negative impact even on those schools which before had a strong motivation to earn income of their own.

The share of finance coming to schools from **international projects** is also comparatively small. There is no official data on financial resources obtained from other sources. Neither is there any real tradition of enterprises or other organisations allocating grants or sponsoring young people undergoing studies; during the school year 2000-01 there were only 20 college and 126 university students receiving such support. Given the current economic situation it is unlikely that this situation will change in the short term.

The measures for vocational training reform as foreseen in the Action Plan supporting the White Paper on VET have received only very limited support. For example, in 1999 instead of the planned 19 million Litas only 400,000 Litas were allocated; in 2000 the amount allocated to carry out the modernisation of the vocational training system was half this amount.

Higher education

In an effort to improve the **funding procedure for higher education** institutions, the system of funding for both universities and colleges underwent changes in 2002. The previous system whereby student places were divided into "publicly funded places" and "places paid for by the students themselves" was rejected for students enrolled from 2002. In accordance with the amendments of December 2001 and July 2002 on the Law on Higher Education, students will pay a study contribution (tuition fee) for every semester, which is equal to the 4 minimum living standard units (500 Litas for year 2001). The state will cover the tuition fee for some (no less than 50%) of the students on daily courses who achieve good results during the session, and for some of those who obtained the best marks in the entry exams. Those students to be exempt from paying tuition fees will be defined by the Government on an annual basis. In parallel with the introduction of this funding system, a modern system of student loans was launched from 1 January, 2003.

Labour market training for the unemployed

In accordance with existing laws in Lithuania, continuing vocational training is eligible for funding from the **Employment Fund**[9] and other sources. Vocational training of unemployed people registered at the Labour Exchange (both the unemployed and those employees who have received a dismissal notice) can be funded from the Employment Fund. Any assessment of the funding provided for the continuing vocational training of employees in the private and public sectors is problematic due to the fragmented information available. There is no data on the extent of self-funded training.

The share of vocational training of total expenditure of the Employment Fund was 18.5% in 1997, 14.4% in 2001 and is forecast at 15.7% for 2002 (refer to figures 6 and 26 in annex). There have been great variations in the share of active labour market measures of total expenditure of the Fund. In 1998, 37.5% of the expenditure was used for active measures, 24.6% in 2000 and 34.1% in 2001. The Fund paid on average 1,650 Litas for the training of one unemployed person in 2001. 4.5% of the total number of registered unemployed in 2000 participated in training

9 The Employment Fund was created by the Law on Support of the Unemployed. Its financial resources come primarily from the employers' compulsory unemployment insurance contributions. The Fund's resources are primarily used for financing: vocational training of the unemployed, employment programmes, job creation, public works programmes, unemployment benefits, loans to the unemployed for setting up a business, the LLE and the LLMTA and its training services.

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measures funded by the Fund and, in 2001, close to 8%.

Continuing training in the public sector

It is difficult to estimate the general expenditure of the public sector on continuing vocational training due to the lack of data. Information on the resource allocation by public institutions for in-service training of their employees is not included in official statistics. There are separate data from sector ministries, however, for 2001 e.g.:

- The Ministry of Education and Science allotted 1.1 million Litas for in-service training of teachers;
- The Ministry of Health allotted 1.7 million Litas for in-service training of nurses; and approximately 1.5 million Litas for in-service training of medical doctors;
- For the Training Centre of the Ministry of Finance the allocation was 1.4 million Litas;
- The Ministry of Social Security and Labour allocated 604,000 Litas for the Social Workers Training Centre.

According to the Law on Public Service (1999) training is distinguished as a separate and essential constituent part of the public service career. The state and municipalities finance the training of public servants. The Law on Public Service allocates responsibility to the Lithuanian Institute of Public Administration (established in 1999) for designing and organising the initial and continuing in-service training for all categories of public servants. Fees for training are paid by the public institution that sends its civil servants for training. In accordance with the Law on Public Service, the institutions or establishments have to use from 1 to 5% of the total salaries bill for the in-service training of public servants. In 2001 the Lithuanian Institute of Public Administration was allotted 1 million Litas from the state budget, and the public In-service Training Centre for Public and Municipal Service "Dainava" was allocated 190,000 Litas.

Continuing vocational training for employees

The vocational training, in-service training and re-qualification of adults employed in the private sector (in 2000 more than 68% of all employed) do not receive direct support from the state nor the Employment Fund. The opportunity for an individual to participate in training is therefore directly dependent on own financial means or support from the employer.

The Law on Small and Medium-sized Enterprise (SMEs) Development passed in 1998 grants public support to SMEs. The support may be in the form of advisory and teaching services as well as skills upgrading of employees. The financial support provided for training in the framework of the municipal SME business development activities was negligible at 170,000 litas in 2001[10].

Research carried out by the National Observatory in 2000 and 2001 indicates that employers are passive in supporting the training of their employees. As an example, in the retail sales sector, only one third of enterprises with 10 and more employees finances in-service training of its staff. Within the tourism, food processing and IT sectors, 17% of enterprises have budgeted for in-service training of their employees. According to the Continuing Vocational Training Survey (CVTS2), conducted in 2000, 43% of respondents from Lithuanian enterprises confirmed that they had organised personnel training (compared to 69% in the Czech Republic and 11% in Romania).

The average duration of training was 41 hours in a year (see figure 7 in annex) of paid working time (in Romania 42 hours, and in Slovenia 24 hours). The total training expenses for one employee in Lithuania amounted to € 133 PPS[11] (comprising € 78 PPS on direct expenses for training and € 56 PPS on the paid working hours), (see figure 8 in annex). Only in Romania did employers allocate a smaller amount for training (€ 109 PPS).

10 According to the Lithuanian Development Agency for SMEs.

11 PPS=purchasing-power standard, i.e a standard measure for purchasing power. Evaluation of prices by this indicator they become internationally comparable.

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Among the candidate countries, the largest amount was allocated in Bulgaria and Czech Republic (€ 294 and € 293 PPS, respectively). The largest amount of money allocated to a single person's training among all the countries participating in CVTS2 was in Denmark. This was almost ten times as much as in Lithuania at € 1169 PPS. In Lithuania 45% of employers, the biggest percentage of all countries, do not organise personnel training due to the high costs of the services. There are no effective mechanisms in Lithuania (e.g. corresponding tax concessions or subsidies from a special fund), to encourage employers to invest more in their staff.

Financial obligations of employers/employees

Employers contribute to the Employment Fund through the compulsory unemployment insurance contribution to the State Social Insurance Fund (SODRA).

Presently, the employers are not obliged to contribute to the upgrading of their own staff nor are there any tax incentives to do so.

The new Labour Code (4 June 2002) enforced as of 2003 in the article on the collective contract includes the possibility of building in a condition concerning the acquisition of a profession and training. Presently only one tenth of all collective contracts signed between existing companies and employees addresses this issue. The Code proposes that the time spent at placements, in-service training at the workplace or in training centres be counted as working time.

Employees do not have any financial obligations, but are expected to cover the costs of training themselves unless the employer agrees to do so.

The teaching profession

During the 2000-2001 school year the **total number of teachers** in education institutions of all levels was 70,400. Of these, 1,320 were teaching at private education institutions. Teachers in general education schools comprised 73.7% (51,900), in the **vocational schools 6% (4,900)** and in professional colleges 7% (4,200), respectively. At colleges there were less than 1% (400) and at universities 12.8% (9,000). The majority of teachers are **women**. In 2001, 85% of **all teachers** in Lithuania were higher school graduates and **87.5% had a pedagogical qualification**.

In comparison with EU or OECD countries the **student/teacher ratio** in Lithuania is low. According to Statistics Lithuania the ratio was **9.6 in vocational schools**, 8.9 in professional colleges and 11.6 in general education.

The age composition of the vocational teaching force is high and 73% of the teachers have been teaching for more than ten years. The **future demand** for vocational teachers in the schools is expected to fall, partly due to the decrease in the number of young people, partly due to the continued rationalisation of the vocational school network. However, it can be expected that there will be an increase in the need for teachers teaching adults when participation in labour market and continuing vocational training increases.

Qualification requirements for all teachers are set in the Law on Education article 22[12]. For teachers in **upper secondary general education** the requirement is a university degree with a pedagogical qualification. Graduates without the pedagogical qualification can follow a 40 credits course on pedagogics, psychology and subject teaching methodology including 16 weeks of teaching practice. In 2001, 14 professional colleges and colleges, and 8 universities offered teacher training programmes.

12 Article 22 The Right to Work in the Teaching Profession *"Persons who have higher or tertiary pedagogical education, also persons with non-pedagogical higher or tertiary education and having teaching qualifications established by the state shall have the right to work in the teaching profession at an education institution of an appropriate level. Persons who have only vocational education shall also have the right to teach a vocational course at vocational education institutions. Those persons must get teaching qualifications in the manner prescribed by the Ministry of Education and Science".*

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Until recently, there was **no system of vocational teacher training** in Lithuania. For this reason, graduates from universities, colleges, professional colleges and vocational schools had access to teaching without having acquired a pedagogical qualification. However, a vocational teacher is expected to undergo certification at least every five years and a pedagogical qualification is a requirement for all four categories of vocational teachers. This means that a teacher may teach for up to five years without having acquired pedagogical qualifications. The requirements are the same for teachers and trainers in the vocational schools and the labour market training centres. The results of the Vocational Teacher Training Survey (VMU Vocational Training Studies Centre, 2000) showed that more than **76% of vocational teachers in Lithuania did not have a formal pedagogical qualification**. At the beginning of 2001 the Centre of Information Technologies and Education conducted a survey which showed that 49% of vocational teachers have higher education and 42% are graduates from colleges or professional colleges whilst 7% have vocational education.

The draft **Concept for vocational teacher education and training in Lithuania** proposes to introduce the following consecutive model for vocational teacher preparation:

- Firstly, complete education at university, college or professional college;
- Secondly, obtain at least three years of work experience in the area of specialisation;
- Thirdly, start teaching and complete a pedagogical qualification during the first two years of teaching.

A modular programme has been prepared with the assistance of the Phare Programme. Vytautus Magnus University started implementing the programme in 2002. A final decision has not been taken on the overall concept.

Vocational schools are in charge of the recruitment of teachers who are recruited following a publication of the vacancy by the school director. The former system where the MES assigned teachers to individual schools no longer exists. However, the MES organises the recruitment of the vocational school principals who are recruited for a five-year period following an open competition.

Though the **prestige of teachers** according to a survey carried out by "Vilmoru"[13] is high and ranks among the three most highly regarded professions, young people in general are not attracted to the teaching profession. In addition, only 30% of those who have passed the teacher training programmes go on to teach in schools. The **salaries** of teaching staff are among the lowest in the national economy. The quarterly survey on wages for the fourth quarter of 2001 shows that the monthly gross earnings in the state sector reached 1,306 litas (€ 378). The average salary of basic and secondary school teachers was 1,177 litas.

The qualification of teachers and trainers in enterprises and institutions permitted to offer formal vocational training must correspond to the General Qualification requirements as set by the MES. The requirements are identical for teaching staff at initial VET institutions and labour market vocational training centres. Due to the variation in course duration it is difficult to define the trainee per trainer ratio. However, the maximum number of students in a group is 25.

The institutional network

As a legacy of Soviet times Lithuania inherited a large network of initial vocational training institutions, i.e. vocational schools and technical (or so-called technicum) schools. In 1991, the technical schools were reorganised into professional colleges. Since then and until 2000, the number of **vocational schools and professional colleges** remained stable. In 2000, there were 104 vocational schools and 69 professional colleges (refer to figure 8 in annex).

13 The survey covered 1003 inhabitants over 18 years of age.

In 1992 a **network of labour market training institutions** was established in parallel to the school system. 15 Labour Market Training Centres were founded under the Lithuanian Labour Market Training Authority, currently there are 14 centres. There are also sector-based continuing training centres (e.g., Nurses' In-service Training Centre, the Ministry of Finance Training Centre, the Pedagogues Professional Development Centre etc), private training courses, the Industrialist Confederation Training Centre and other in-service training institutions.

Reform of the vocational training institution network was **started in 2000.** The main features of the reform were:

- the establishment of colleges providing non-university higher education;
- the optimisation of the vocational school network;
- establishment of multifunctional regional vocational training centres.

The accreditation of professional colleges to become **colleges of non-university higher education** is an important step in the development of the education system. The first seven colleges were accredited in 2000 (four public and three private). In the academic year 2001-02, there were seven public and nine private colleges. It is expected that further colleges will be accredited in 2002 and 2003. The establishment of colleges is also based on a regional principle, seeing colleges as county centres of science, culture and social activity. Enrolment into the existing 41 professional colleges will stop in 2003. Those institutions which have not obtained accreditation as institutions of non-university higher education will either be merged with colleges, vocational schools, regional training centres, become vocational schools in their own right or be closed.

One step of the **optimisation programme** for vocational schools was to transfer to responsibility for the agricultural vocational schools and professional colleges from the Ministry of Agriculture to the MES. The aim of the optimisation programme is to pool scarce resources and avoid overlap.

The following optimisation criteria were defined:

- satisfaction of the economy's needs;
- meeting the expectations of the community;
- efficient use of human (personnel), physical and financial resources.

At the same time, based on the experience of EU countries, new institutions were introduced in Lithuania, namely the **regional multifunctional vocational training centres,** which cater for both initial and continuing vocational training. Their introduction was inspired by an idea formulated in the Programme for Increasing Employment:

"to more rapidly reform the vocational training system, which consists of initial and labour market vocational training, to optimise the network of training institutions and strengthen their interrelationship, to make better use of the potential of all the existing vocational training institutions".

The first three centres – in Marijampole, Utena and Panevezys – were founded in 2000; in autumn 2001 three more centres started – in Kelme, Kedainiai and Taurage. Originally the intention was to create the centres by merging the existing vocational schools and the LMTC in a given area. However, in no case has there been a merger with the local LMTC as foreseen. This is partly due to the different legal status of the two systems. The Government Programme for 2001–04 includes a plan to draft the necessary legal acts in 2002 to regulate the reorganisation of education institutions into public institutions. This should enable the regional structures to share responsibility for the regional multifunctional vocational training centres with the MES. It is hoped that this will improve the efficiency of training services, assist their upgrading, reduce training costs, and allow for closer alignment with local labour market needs. It should also help to address particular regional problems, and tackle unemployment through the provision of retraining and upskilling programmes for adults.

39

The Government Programme for 2001–2004 states that the Vocational Training Institutions' Optimisation Programme will continue until 2004. To date, since the programme's initiation in 1999, the number of state vocational schools has been reduced from 103 to 80.

With regard to **access** to the education and training network, not every district or municipality has a vocational school or regional vocational training centre. However, all higher education students, professional college students, vocational school and general school pupils have various state **guaranteed travel** concessions. Moreover, the majority of vocational schools and professional colleges provide their students and pupils with **dormitories**.

In recent years, vocational schools and professional colleges have become more **polytechnic** in nature, **broadening the choice available** to students, however, there are significant regional variations on the choice of programmes available. (See section 2.3.2 and figure 10 in annex).

The Government Programme 2001–04 foresees that **youth and adult schools** will be maintained. In the 2001-2002 school year there were 25 youth and 25 adult schools, and adult classes in 48 general education schools. These institutions are mainly concentrated in towns. Currently, the adult institution network is scarce and uneven and the potential of secondary general education schools is not fully utilised.

The **Education Development Strategy** analyses the possibility for 2002-2005 of switching to a system of education based on the "programme principle". Under this system, schools would provide a variety of secondary general education and vocational training programmes and modules, targeted at children and youth, as well as adults.

In summary, the introduction of colleges of non-university higher education is a **positive development towards a modern education system** in Lithuania. The decision to end the existence of the professional colleges as described above is also laudable. However, Lithuania should carefully consider how large a network of colleges is needed and whether to stick to the initial idea of a limited number of larger regional colleges. It would appear to defeat the rationalisation purpose if a large number of smaller colleges be accredited.

Presently, Lithuania retains **two separate public delivery systems for VET**. Though the original idea behind the creation of the multifunctional regional training centres was to merge[14] vocational schools and LMTCs, this has not happened. The centres have been established based on different management models and the development continues. The experience should be reviewed to form the basis for further decisions in this area and a plan for the establishment of centres across the country should be prepared. The fourteen LMTCs continue to exist independently and there are now plans to create seven new LMTCs created on the basis of mergers of the existing centres. Apparently, there is no agreement between the MSSL and the MES on the future of the two parallel public systems. As stressed in the OECD Education Sector Review for Lithuania in 2000 it is questionable whether this is sound usage of scarce resources, though it does provide for competition for the delivery of labour market and continuing vocational training.

2.1.4 STRUCTURE AND ORGANISATION OF VET AND LLL

An overview of the education and training system

Pre-school

It is not compulsory to attend pre-school in Lithuania. According to the MES, there are plans to create the possibility for all to attend pre-school by 2005, but not to make it compulsory.

14 In a Ministerial Order of 21 April 2000 issued by the MES to start the first training centres.

Formal learning

The formal education system in Lithuania is organised as follows (see figure 31 in annex):

Primary education lasts four years (grades 1 to 4) and children start at the age of six or seven years. Over 80% start at the age of seven.

Lower secondary education (basic school) lasts for six years (grades 5 – 10) which means that most pupils will graduate from basic school at the age of 17. This compares to the fact that **education is compulsory** only until the age of 16. The emphasis of lower secondary education is on academic knowledge (ISCED 2A) to prepare pupils for upper secondary education.

There are two alternative routes to completing compulsory education. One alternative is the **youth schools.** Pupils aged between 12 – 16 may opt for the youth school, which combines general and pre-vocational education. The other alternative is **the 1st stage vocational education** in the vocational schools. These programmes are designed for pupils over 14 years of age who have not finalised lower secondary education. The programme lasts for two years and pupils obtain a qualification certificate (ISCED 2C). The programme may also last for three years in which case the pupil obtains the basic school certificate, which provides access to upper secondary education, either general or vocational.

Upper secondary general education (ISCED 3A) is provided either at the secondary schools or at the gymnasia. **Upper secondary school** lasts for two years (grades 11 – 12) and leads to an upper secondary school leaving certificate (maturita) which gives access to higher education. There are four principal study directions, namely humanities, maths and natural sciences, technology and fine arts. Alternatively upper secondary education is also offered at the **gymnasium**, which lasts for four years and thus includes the last two years of basic school (grades 9 – 12). The same leaving school certificate is issued and provides access to higher education. The same main study directions exist as in the upper secondary schools.

There are also adult education centres, which provide both basic and general upper secondary education in day and evening classes leading to diplomas equivalent to those issued by the day schools. On the contrary there is no provision for obtaining upper secondary vocational education other than the main day system.

Upper secondary vocational education is provided at the vocational schools. Stage II vocational education lasts two years (grades 11-12) and graduates receive a vocational training diploma (ISCED 3C). Stage III vocational education lasts three years (grades 11-13) and provides the maturity certificate together with the vocational training diploma (ISCED 3B). 14 vocational schools also offer a 'technological' specialisation. Discussions are ongoing as to whether to turn such schools into technological gymnasia within the next five years.

Post-secondary vocational education is provided at vocational schools, lasts for one to two years and leads to a vocational training diploma (ISCED 4). This type of post-secondary vocational education is primarily aimed at graduates from general secondary education to provide a vocational qualification. Post-secondary vocational education is also provided at the professional colleges, lasts for three to four years and leads to a college type education diploma (The Department of Statistics classify this as ISCED 5B, but it could be argued that it is rather ISCED4). Graduates from both general and vocational upper secondary education attend these programmes.

Non-university higher education is provided at colleges, which started operations in 2000. The education lasts for three to four years and the student receives a higher education diploma, which mentions the vocational speciality (ISCED5B).

Finally **higher education** is provided at universities issuing bachelor diplomas (ISCED5A) after four years of study leading to masters programmes (ISCED 5A and B) and PhD studies (ISCED6).

Formal learning can also be attained at **labour market training** (LMT) courses which are offered mainly to unemployed adults over 18 years or people in danger of redundancy. These are short courses of at least four weeks duration providing the trainee with the capacity to carry out a specific task or courses of between 12 and 43 weeks duration providing a vocational qualification in a certain field. LMT leads to a qualification certificate but not to a vocational training diploma. These programmes prepare only for direct entry into the labour market (ISCED2C and ISCED3C).

Non-formal education

Continuing vocational training other than formal labour market training can be attended at numerous private and public training institutions, or as in-company training. Attendance at these courses does not lead to any recognised certificate.

The actual school network is described in detail in section 2.1.3 p. 38.

Initial vocational education

How to get a qualification

As shown in section 2.1.4 p. 40, there are two main ways of becoming a skilled worker, i.e. either through the **initial vocational education system** or through **the labour market training programmes**.

It is clear that the system is strongly **school and training institution based**. However, in October 2001, the Minister of Education approved a procedure for assessment of knowledge gained through non-formal learning and thus allows for an alternative way to become a skilled worker and obtain a recognised qualification and certificate. At the time of writing the normative basis is under further development. Nevertheless, presently this has not been implemented nor is it possible to receive recognition of competencies acquired through in-formal and experiential learning. The **apprenticeship route** to acquiring a qualification is **not part of the educational tradition** in Lithuania and is presently available in two schools only in a few professions.

Progression routes

For pupils who leave before the completion of basic school but pursue education in youth schools, it is possible to progress to mainstream upper secondary education, both general and vocational. For those who pursue 1st stage vocational education combined with basic education, progression is possible to both general and vocational upper secondary education. For those who do not complete basic education the only possibility for progression would be to complete basic education at adult education schools.

For graduates of upper secondary vocational education without the maturita, there are no further progression routes apart from completing the maturita at adult education schools.

For graduates of upper secondary vocational education with the maturita, the progression possibilities to higher education are the same as for graduates of the different directions of general upper secondary education. Admission to the different institutions of higher education is based on the maturita grade point average and there are no special entry exams in general. Also the choice of study direction does not limit access to higher education in other study fields.

For graduates from the professional colleges and the colleges (non-university higher education), there is no possibility to progress to university and transfer credits from the college education. These graduates would have to start from the first year at university.

There are no progression routes from labour market training and CVT.

Horizontal transfer

It is possible to transfer from stage 3 of upper secondary vocational education to upper secondary general education, but not vice versa.

It is possible to transfer between the two stages at upper secondary vocational education, both from the lower to the higher stage and vice versa, in case the profession is offered at both stages.

There are not any transfer possibilities between college-type education and non-university higher education at the colleges. Neither is it possible to transfer from non-university higher education to university higher education or vice versa.

Enrolment

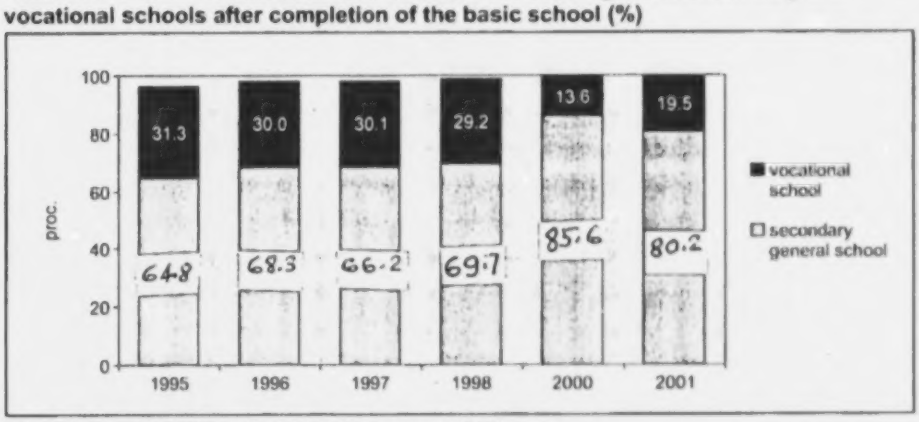
Total **enrolment in vocational schools was 45,000** in the school year 2001-02. This represents a decrease of 9,000 students since 1997-98. At the same time enrolment in general education increased.

In 2001, 99.7% of the basic school graduates continued education. 80.2% opted for general upper secondary education and 19.5% for vocational upper secondary education. In 1996, the figures were 68.2% and 30%, respectively (refer table 16 and figure 8 below).

This indicates the decreasing interest in vocational education. Within secondary vocational education in the school year 2000-01, 86.7% of the students were preparing for maturita in addition to a vocational qualification compared to 13.2% who opted for a vocational qualification only. In 2001-02, this changed to 93.7% and 6.3%, respectively. 7% of the students were older than 22 years.

As seen in figure 9, in the years 1995 to 2001, the number of graduates from basic education corresponded to between 72% and 81% of the relevant cohort (the age of expected graduation). This means that about 20% fail to complete basic education.

Table 8. The share of students who continue studies in general secondary and vocational schools after completion of the basic school (%)



Information source: National Observatory country report, 2001

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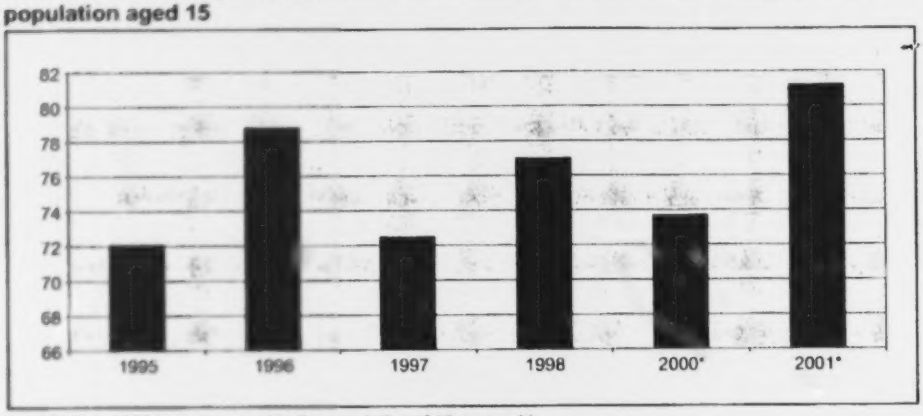
Table 9. Number of graduates from basic education (ISCED 2) as compared to the population aged 15



** in 2000 and 2001 as compared to the population of 16 years old*

Student destination at the end of upper secondary education

In 2001, only 3% of the graduates from upper secondary vocational education continued to higher education in spite of the fact that the vast majority obtained the maturity exam and would have had access. This compares to 63.3% (up from 55.3% in 2000) of the graduates from upper secondary general education who continued to higher education. Of this group, the majority – 53.3% - enrolled in universities and 10% in colleges. The rest enrolled in the college-type institutions or in post-secondary vocational education. In 2001, 10% of the graduates from the college-type schools which lasts three to four years after upper secondary education continued in higher education.

In 2000, 24% of the vocational school graduates registered as unemployed. Graduates with qualifications in areas such as cosmetic services, construction, garments production, trade & business were most likely to find employment, whereas graduates with qualifications in such areas as applied arts, electricity and hotel service works were most likely to register as unemployed.

In 2001, 14.7% of the graduates from upper secondary general education did not continue education. On the whole, tracer studies of the graduates from general education are not done.

Adult vocational education and training

Labour market training: The role of LLE and LLMTA

As part of the active labour market measures, the LLE is in charge of the organisation of the labour market training funded via the Employment Fund. (See also chapter 3 on active and passive measures). The LLE assesses the needs for labour market training and sub-contracts the implementation of training courses to training providers following an open call for proposals. The selection of the training providers is based on the following main criteria:

- The qualification of the trainers;
- The training infrastructure and methodology;
- Previous experience in training;
- Links established to employers;
- Expected impact on the trainees' employment possibilities;
- The cost.

The **LLMTA** defines the content of labour market training, has a supervisory role, assesses training institutions and maintains a database on labour market training programmes and teaching aids. In addition, the LLMTA runs 14 LMTCs.

Whilst the state takes an active part in promoting and funding training for the unemployed, the state has a very limited role in promoting CVT for employees and does not provide financial incentives for CVT.

Providers of labour market training and CVT

Until 2000, the LMTCs had a virtual monopoly for the provision of labour market training requested by the LLE and funded from the Employment Fund. However, with the introduction of the open call and the provision of funding for both formal and non-formal training, a much larger group of organisations are involved in the implementation of labour market training.

286 public and private training institutions are licensed by the MES[15] for the provision of labour market training. This includes 96% of vocational schools, 93% of professional colleges and 75% of colleges and 165 private providers. In addition to these training institutions, a further 200 private training institutions provide CVT for which no license is needed.

In 2001, 98 training providers participated in the open call launched by the LLE increasing to about 200 in 2002. The increase in the number of training providers has doubled the availability of different types of courses. The vocational schools, colleges and universities not only participate in the open call for labour market training but also in the delivery of CVT. These activities represent an important additional income.

Participation in labour market training and CVT

Participation in labour market training and CVT is low in Lithuania according to the different sources of information. These are essentially three, namely the LFS, Lithuania Statistics and the CVTS2. Data are not always comparable and could be further improved.

According to the LFS in 2001, 72,012 adults or 3.7% of the 25-64 year olds participated in education and training. This compares to 78,897 or 4% in 1999. The LFS in 2001 showed that 4.0% of the employed participated in education and training, compared to 3.6% of the unemployed and 1.9% of the inactive. Amongst the employed, participation in education and training decreases with age with 7.7% of the 25-34 year old employed participating compared to 0.7% of the 55-64 age group. The highest participation rate was among 25-34 year old women. In general, employed women participate more than twice as much as employed men. (See also tables 24-26.)

Statistics Lithuania receives information on the participation of adults in training from the training organisations licensed by the MES on an annual basis. In 1998, there were 171,000 course participants compared to 80,000 in 2001. The decrease may, to some extent, be explained by an increase in participation in courses that do not lead to a recognised certificate. However, there is no statistical basis for this supposition.

In 2001, a total of 17,100 participants took part in training at the 14 LMTCs. Of these, 6,900 were funded by the labour exchange, 6,900 by their employers and 3,300 participated on their own initiative.

During the school year 2000-01, a total of 32,000 took part in adult education and training in institutions of the formal education system compared to approximately 28,000 in 1995-96 (see also figure 15 in annex). The number of adult trainees in the vocational schools decreased from 8,326 in 1995-96 to 4,473 in 1999-2000. This increased again in 2000-01 to 5,960.

According to CVT2, in 1999 43% of all Lithuanian firms can be characterised as 'training enterprises'. This is less than Estonia at 63% and Latvia at 53% but higher than Hungary at 37%, Bulgaria at 28% and Romania at 11%. However, only 21% of Lithuanian enterprises gave CVT courses to their staff, which is the lowest apart from Bulgaria and Romania. On the contrary, Lithuanian enterprises gave 'other' forms of training especially instruction at conferences and workshops and training using normal tools of work. At the same time, the number of hours in CVT courses per participant was the second highest in Lithuania at 41.

15 The MES issues a license for providers of labour market training based on a recommendation by the LLMTA.

Interface between employment services and training providers

There has traditionally been a strong relation between the LLE and LLMTA with its LMTCs as the latter were contracted directly by the LLE to carry out training for the unemployed. With the introduction of an open call, all registered training providers are now free to compete for the delivery of training for the unemployed. All training providers will have to adapt their offer of courses to the priorities set by the LLE.

On the contrary, the LLE is not involved in funding CVT for the employed or those in danger of redundance. Relations are only directly between the employers and the training providers.

Vocational guidance and counselling

The existing provision of vocational guidance and counselling is separate from the education system. The main providers of vocational guidance and counselling in 2001 were:

- *Six territorial labour market training and counselling services (TLMTCS).* They counselled 57,800 persons (13,800 pupils; 40,900 unemployed; 1,700 employed and 1,400 parents and teachers). They employ 35 psychologists;
- *40 information and counselling centres, five job centres and three youth job centres* are established under the territorial labour exchanges. They provide counselling on job search and vocational guidance issues including self-serve internet based databases on job vacancies and training opportunities;
- *Vocational guidance centre established under the supplementary education institution known as the Lithuanian Youth Technical Creativity Palace.* Two psychologists at the vocational guidance division work with pupils individually and when invited organise lectures for students in lower and upper secondary schools;
- *Youth Career Centre* in Kaunas (founded in 1999, in collaboration between Vytautas Magnus University and the Open Society Fund). The Youth Career Centre provides information and counselling on studies abroad;
- *Lithuanian National Resource Centre for Vocational Guidance* (or Lithuanian Euroguidance Centre) was established in 1998 together with the National Agency for Leonardo da Vinci. The main purpose of this Centre is the production and dissemination of guidance material as well as supporting mobility across Europe.

In addition, there are counselling centres in universities to provide information on studies in Lithuania and abroad, counselling on career issues, e.g. at Vilnius Gediminas Technical University (Integration and Career Direction) and at Vilnius University (Psychological Counselling Centre).

Finally, information on education institutions, training programmes, enrolment conditions etc. can be obtained via the internet from e.g the Lithuanian Education Information System homepage, the LLMTA homepage and the Leonardo da Vinci NCU Vocational Guidance Resource and Information Centre homepage.

Nevertheless, from the above it is clear that there are **very limited guidance and counselling facilities in lower and upper secondary schools**. The introduction of the social educator position in schools in 2001 is a first step to assist pupils, although not with the aim of careers guidance and counselling. The social educator, helps children from disadvantaged backgrounds develop social skills, and takes preventive measures to combat youth delinquency and drug abuse.

Some **municipalities** have introduced Pedagogical-Psychological Services under the Education Departments, where psychologists (1-2 specialists as a rule) provide information on professions, conditions to acquire them and help children and young people to develop self-awareness, interests and aptitudes.

Presently the overall situation is that the capacity of the existing institutions is

insufficient. Consequently, as mentioned in section 2.1.2, assistance from the Phare Programme in 2001 includes the development of an overall strategy for vocational guidance and counselling and the creation of a number of additional counselling centres. Focus is on the active consumer and not on the youth and adults who are not motivated to learn. There is a lack of human resources in this field due to the fact that it is not possible to specialise in careers guidance and counselling. Though there was a Government Decision of 1998 "On Measures for Vocational Guidance and Integration of Youth into the Labour Market", this **has not lead to the creation of an integrated vocational guidance and counselling policy and strategy** in Lithuania yet.

Assessment and certification mechanisms

All vocational students sit **final qualification examinations**, which allow students to demonstrate both theoretical knowledge and practical skills. Since the early nineties, vocational schools created final **examination commissions** consisting of an employer representative, three professionals of the relevant occupation and a vocational school teacher. Initially, school staff were in charge of preparing exam questions and other practical arrangements. However, since 1998 Lithuania has been gradually moving away from a school driven assessment and **the Chambers** have taken over the full organisation of final exams including the design of tasks, identification of relevant members of the commission and granting of the qualification. Presently, in the 2001-02 school year, three out of five regional chambers cover six out of ten regions in Lithuania. The training and assessment processes have been separated in an effort to ensure that, with the responsibility for assessment being passed to employers, assessment criteria will accurately reflect the qualification requirements (which should be set by employers).

In those regions, which are not covered yet, the schools continue to be in charge of the overall organisation of the final exams. In these cases the Chambers just approve the exam tasks, appoint a chairperson of the examination commission and validate the composition of people in the commission. Notes and comments made by employers in the course of the assessment process offer training providers valuable information to improve future programme delivery.

National exams have been introduced in both upper secondary general and vocational education in the subjects: Lithuanian, foreign languages, biology, chemistry, physics, maths and history and are assessed partly by the schools' own teachers and partly by external examiners.

The above refers to formal learning. As mentioned under section 2.1.4, **a first step has been taken towards the recognition of non-formal and informal learning**. The procedure foresees that both MES and MSSL appoint VET schools and enterprises in each region to arrange and conduct the assessment annually. In May 2002, the Minister of Social Security and Labour issued an order establishing the 'Selection rules of VET institutions and enterprises to organise external examinations though only for labour market training. It is not clear when formal recognition of non-formal and informal learning will actually be initiated. The experience gained from the examination commissions should provide valuable lessons for the evaluation and formal recognition of non-formal and informal knowledge and skills.

2.2 RESPONSIVENESS OF THE EDUCATION AND TRAINING SYSTEM TO THE NEEDS OF THE LABOUR MARKET AND THE INDIVIDUAL

2.2.1 APPROPRIATENESS OF THE EDUCATION AND TRAINING SYSTEM

Planning and programming

Until 1990, VET in Lithuania as in all the socialist countries was centralised and planned. It satisfied the labour force needs of big industrial companies. Initial VET provided narrow qualifications for a single 'lifetime' occupation. The Ministry of Education and other relevant ministries strictly defined the content and duration of the curriculum in a "top down" manner indicating how many and what profile workers and specialists were to be trained. Initiative and creativity in the schools were not encouraged.

After 1990, it became clear that the services provided by the former VET system did not correspond to the needs of the labour market. There was no longer a general national economic plan which could provide guidance on the economic sectors to be developed or supported in the future.

In 1990, the MES delegated the function of curriculum development to schools, which could also decide on the occupations to be offered. It was a difficult task for the schools to decide on the professions. Decisions were often influenced by tradition and 'fashionable' professions and led to mismatches between supply and demand of vocational graduates. Planning was not based on local labour market needs analyses.

This situation has changed somewhat in recent years. The first sector analysis – on the retail trade – was conducted in 2000 with financial support from the European Training Foundation which also initiated the *Company Skill Needs Survey*, conducted in 2001 within the food industry, IT and tourism sectors. Three more sector surveys are planned within the framework of the Phare Programme and are to be carried out from 2002 to 2004. Furthermore, since 2001, when a national standard does not exist in a given field, all vocational schools must conduct a regional labour market needs analysis to be submitted to the Methodological Centre for VET together with the new curriculum for approval. All national standards are based on a labour market needs analysis carried out by expert groups and approved by the respective Industrial Lead Bodies (see p. 49).

Nevertheless, planning of which professions the individual schools offer are in general not yet based on skill needs analyses. The relevant ministries appear to have shown limited interest in this issue.

The lack of information on the expected development of the economic sectors, is partly compensated by the LLE. In 1996, a first **labour market prognosis** was prepared. This has since been expanded and presently the labour market is monitored through the territorial labour exchanges who keep in touch with 31,000 employers representing 771,000 employees equal to 52% of the employed. The LLE monitors:

- The estimated demand for occupational qualifications and new vacancies;
- The status-quo of labour force supply and demand;
- The training needs according to educational level, profession and occupational qualification.

This is carried out on a monthly, quarterly, bi-annual and annual basis. The results are published on the internet and in different publications such as "Labour Market Prognosis", "Who is looking for a job in Lithuania", "What is the Labour Force Demand in Lithuania". The forecasts of the future labour market developments are only done in the short term up to one year ahead.

With the assistance of the Open Society Fund (Soros Foundation), **tracer studies** of graduates from higher education were carried out in the fields of technical sciences; agriculture, forestry and fishery; architecture; judiciary and teacher training.

At the same time, it is recommended that the County VET Councils approve the planned intake into different fields. However, in most of the counties there are no regional development plans, against which priorities could be set nor are the County VET Councils very active. The social partners play a limited role in planning.

The **LLE** plans the provision of training for the unemployed centrally on the basis of the abovementioned labour market reports. The LLE announces the expected number of persons to participate in which training courses nationally and regionally, respectively.

Curriculum design and development

In 1990, the MES fully delegated curriculum development (of the vocational part of the curriculum) to the vocational schools. Initially this lead to a situation where the schools partly continued delivering the old curricula. There was also a lack of transparency amongst the new curricula developed. A first attempt to create more transparency was made when the ISCED classification system was applied to all curricula and minimum requirements were defined for the qualifications. In 1996, this resulted in the creation of the **State Register of Studies and Training Programmes**, which is managed by the MES. In 1999, the classification of professions was prepared by the LLMTA and approved by Statistics Lithuania. The classification is prepared on the basis of international standard classifications of occupations ISCO- 88 and ISCO-88(COM).

Also in 1996, the **Methodological Centre for VET** was created. It is the role of the Centre to approve all new curricula and now also to organise the development of national standards as a core part of **the national qualifications system**. In 1998, the structure of a VET standard was defined and legitimised by the MES. The VET standard contains information on competencies needed, training objectives and assessment criteria. In Lithuania it has been decided to merge the occupational standard and the training standard into one standard. The Centre set up 14 **Lead Bodies** (see figure 17 in annex) to set priorities for new standards and to approve new standards in each sector prepared by the actual standard development groups. At the end of 2001, 36 standards had been approved (table 21 in annex) and nine were under development. Lack of financial resources to compensate social partners for their participation in this process has slowed down the development of new standards, however, financial support from the Phare Programme should ensure the development of a further 50 standards before the end of 2003. Together with the standards development, the MES is also in the process of further developing assessment and quality assurance procedures to ensure a coherent national qualifications framework.

In areas where there are no national standards, curricula are developed based on the new general principles. The new curricula aim at facilitating access for all to the labour market and are based on the following overall ideas:

- Competency based;
- Modularised;
- Student oriented teaching/learning methodologies;
- Broad based as opposed to narrow specialisation;
- Emphasis on new core skills;
- Entrepreneurship module must be included.

From the school year 2002-03, **all curricula taught in vocational schools must be competency based** with clearly defined study objectives. Though the MES has provided training to school staff organised via the group of disseminators consisting of expert practitioners, large differences remain between the individual institutions in their preparedness to follow the new ideas and large scale implementation has not yet been achieved.

In 2001, the **LMTCs offered 30 modular training programmes**. New programmes describe the training objectives, training methods and training facilities. Employer organisations must approve new programmes prior to final approval by

LLMTA. Once approved the programmes are included in the above mentioned State Register.

Though the modularisation of both labour market training programmes and initial vocational education programmes is ongoing, the modules are not homogenised and do not enable free movement between the systems. This means that the two systems by and large remain separate with limited links and do not facilitate the continued development of an integrated national qualifications framework.

The involvement of industry in delivery

The **previous close links between vocational schools and industry were weakened** as a consequence of the transition process. Now the practical training of vocational students generally takes place within the schools' own premises apart from a final short practice period in industry. This influences the acquisition of practical skills negatively, due to the fact that only a limited number of schools (primarily Phare pilot schools) have been able to upgrade training equipment and buy raw materials in line with the curricula. According to the Law on VAT article 38, companies providing placements to students should receive tax reductions.

There are **no tax incentives** for enterprises, which may encourage continuing training of staff.

A **quality assurance system** based on self-assessment, internal monitoring and external assessment has been started and is under further development. Under this system, the Methodological Centre for VET:

- designs the guidelines for the internal and external quality assurance (QA) system;
- arranges training for schools on how to organise internal QA, and how to prepare for external evaluation;
- organises the external evaluation of the schools (an on-site visit where experts evaluate the training basis in the school, the conditions for independent work and practical training, the qualifications of teachers etc);
- trains independent experts in how to conduct on-site visits and to make assessments.

Continued support to the development of the quality assurance system will be received through the Phare programme to start during the autumn of 2002. As mentioned previously, the Chambers participate in final qualification examinations.

Use of computers

Increasing attention is given to the computerisation of schools to push forward the development of the information society. The installation of IT in schools is recognised as a strategic objective. **The Lithuanian National Information Society Development Concept** states that "the majority of the population in Lithuania is not skilled and has no possibilities to acquire modern information processing skills. Internet services are used on a regular basis by around 8% of Lithuanian inhabitants only (the numbers do not amount to even 1% in rural areas)." According to Statistics Lithuania's data from the household budget survey in 2000, one in twenty households owned a personal computer, ranging from 10% of households in larger towns to 1% in rural areas. A survey to analyse the use of computers at the work place will be conducted in 2002 within the framework of the LFS.

The **Programme for the Introduction of ICT into the Education System (2002-2004)** states that

"the ICT infrastructure is underdeveloped: all the secondary schools lack computers; the internet is in reality not available to schools and is rarely applied for training purposes; there is a lack of educational computer software and electronic sources of information, especially in the Lithuanian language".

According to Statistics Lithuania there were 32 pupils per computer in lower and upper secondary general education schools

during 2001-02. 38% of the schools have internet access. The data from the IT Centre in the MES indicate that VET schools on average had one computer per 18 pupils. The Government programme for the period 2001-2004 foresees that there shall be at least **one computer for every 10 pupils at every school by 2004** which compares to the target set at the **Barcelona European Council meeting at 15 pupils per computer** at the end of 2003. The School Library Concept from 2001 sees the future of school libraries as open learning and information centres with multi-media facilities.

Since 2001 the education system computerisation has received support from private business through a support programme "School – for Informed Lithuania". It is expected that it will be possible to attract approximately € 4 million within three years time.

A parliamentary resolution from 2001 "On Knowledge Society and Economic Development Priority Undertakings in Lithuania" proposes to the Government to introduce computer literacy as a requirement at schools of general education and to include the computer literacy exam into the curriculum starting from 2003. The Minister of Education and Science approved **the Standard for the Computer Literacy of Teachers** in November 2001 and the **Standard for the Universal Computer Literacy of Pupils** in January 2002, respectively. The standards were developed based on the European Computer Driving License (ECDL) programme. The teacher training module has a duration of 80 hours. In 2001, 380 vocational school teachers participated in in-service training and graduated from the ECDL course.

The above mentioned programme provides funding for the period of 2002-2004 "in order to gradually provide conditions for all primary and secondary school teachers and other educational staff to acquire information and computer literacy corresponding to the standards". There is no target set for teachers' computer literacy.

Teaching and learning methodologies

Considerable work has been undertaken in Lithuania to improve teaching and learning methodologies in line with new curricula and an overall student oriented approach within the framework of internationally supported projects. A group of disseminators was created which has continued to train teachers in new teaching and learning methodologies.

Further progress was made in 2001:

- The Concept of initial and continuing vocational teacher training and a related implementation plan were developed;
- The vocational teacher training standard was developed;
- Modular programmes for initial and continuing vocational teacher training were developed. The duration of the initial training curricula is 40 credits (the duration of studies depending upon the form of studies is 1.5-2 years).

However, it is still not possible to say that new teaching and learning methodologies are used by all teachers of which a large proportion still have had no pedagogical training. Also the concept and the standards have not been approved yet and the modular programme mentioned will only be offered by Vytautus Magnus University as of the start of the academic year 2002-03.

2.2.2 RESPONSIVENESS OF THE EDUCATION AND TRAINING SYSTEM

The initial vocational education system provides a 4-stage curriculum which allows the student to choose a longer or shorter learning route with or without general education with some possibility to move between the different stages. However, there are **no direct links between initial vocational education and LMT** which limits the flexibility for adults to obtain a qualification above ISCED level 2. Once the system for recognising non-formal learning is in place this situation should be improved.

There are **no age limitations** for enrolling at colleges and universities nor in vocational education. The drop-outs, who have not attained basic education, face certain obstacles, as most of the LMT curricula are designed for people with basic education. Thus they have to attain basic education first, or attend non-formal training programmes. Furthermore, attendance at LMT funded by the LLE is generally not possible until after a person has turned 18 years of age.

In general, the **educational level** of the Lithuanian population is **high**. The Labour Force Survey (as of November 2001) shows that 44.3%[16] of the 25-64 year olds have attained higher or college education (see figure 20 in annex). Over 80% of this age group has at least secondary education. According to the UNDP, the **adult literacy rate** in Lithuania in 1999 was 99.5%.

However, a **negative tendency** can be observed with regard to the educational attainment of **young adults**, who have graduated after 1990. They have attained lower educational attainment compared to older age groups. The LFS for 2001 shows that only 8% of the 35-44 year olds have attained basic education or below, while 23% of the 25-29 year olds had attained basic education or less only. The increased social problems and a lack of learning motivation during the transition period explain this. Together with the present number of early school leavers from basic education (see section 2.1.4) this indicates that the education and training system has not been able to respond sufficiently flexibly to ensure that this group is retained within the system. In 1999, a Government programme for "Provision of social and pedagogical conditions for the learning of children" was approved (refer to section 2.3.3). This aimed among other things to create a system of different types of 'open' schools/classes in the period 2000-02 to attract drop-outs back to school, increase their motivation to learn as well as to support the establishment of learning centers for children with severe disabilities.

Participation rates in LMT and CVT are low. 3.6% of the unemployed and 4% of the employed only participate (LFS November 2001). There is no tradition for flexible working arrangements which may make it easier to combine work and learning. Therefore the Government Programme for 2001-04 foresees measures "to increase possibilities for the employers and employees to accommodate to the market changes, promote in-service training of the employees, increase the application of *flexible labour organisation forms*, improve information and counselling provision to employees". However, there are **no measures in place yet to promote such approaches nor to increase the participation in CVT directly, and LMT participation is restricted by the size of the Employment Fund**.

In vocational schools individualised attention to the very marginalised or the most able is limited. Support measures are in the process of being established as described under the section on guidance and counselling. Individualised learning in the form of open and distance learning remains limited in Lithuania in the area of vocational training, however, Lithuania continues to develop open and distance learning both through increasing the number of study centres and local multi-media learning facilities.

2.3 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING SOCIAL AND LABOUR MARKET INCLUSION

2.3.1 RAISE COMPLETION RATES

The share of those who fail to complete basic education remains high at 19% in 2001 (see section 2.1.4).

In order to combat this situation, school psychologists were introduced into all

16 It is important to note that Statistics Lithuania considers 'professional colleges' as ISCED5b rather than ISCED4. Depending on how one would classify the professional colleges the percentage of people with higher education may be overstated.

education institutions from 1999 and social educators from 2001. They aim at early identification of pupils who have behavioural, emotional and communication problems and lack motivation for learning.

As mentioned in section 2.1.4 there are **two alternative ways of completing compulsory education**; namely 1st stage vocational education and through the youth schools. Figure 32 in the annexes shows the availability of these alternatives throughout the country. However, the **absence of an apprenticeship system means that an alternative to the school based routes to attaining a vocational qualification in the form of a work based route does not exist**.

It appears that youth schools have a good record in ensuring the basic education and reinsertion into the mainstream education system of its pupils. According to the data available from 1998, more than 83% of the graduates from youth school received a basic education certificate. Of these 77% continued education in upper secondary education – approximately four out of every five in vocational education and one out of every five in general education. Since the introduction of 10 years of compulsory education, data have been limited and the effect of this change is not clear.

A number of learners aged 16 and above leave prior to graduation (see figure 24 in annex). During 2000-01, there were 5,600 from upper secondary vocational education (11.8%), 4,800 students from college-type schools and colleges (12.8%) and finally 10,300 students dropped out from universities (10.6%). The LEs are available to assist these people in case they do not start other education or do not find employment. In 2000, the LLE introduced a new support programme called "The first step in the labour market". The target is to provide employment for young people with a vocational qualification within a six month period and within 12 months for those without a vocational qualification. In 2001, 31,800 youths who had never been employed registered at the LE. According to data from the LLE, 28 200 (90%) of the 'first time job seekers' were involved in active measures in 2001. A total of 9,500 were placed into jobs.

2.3.2 INTEGRATION OF THE UNEMPLOYED

The Programme for Increasing Employment (2001-2004) allocated 67 million litas in 2001 and planned 273.1 million litas for the period 2002-2004. It aims "to ensure that every unemployed registered at the territorial LE within three months be involved in the active labour market policy measures (unemployment prevention training, vocational training, job clubs, public and subsidised works programmes, starting own business, etc.)."

In 2001, 34% of the Employment Fund was used for active labour market measures (see annex, figure 26) compared to 24.6% in 2000.

The activation level of the unemployed for 2001 reached 47.7%. Out of the 223,480 registered unemployed (average annual number), 106,582 people were involved in active measures. Of these 17,000 were involved in vocational training. The rate of return to employment after participation in active measures was 28% in 2001.

The methods for calculating the rate of return to employment by different active labour market measures is under development. Based on the assessment of Lithuanian experts, the most successful active measures in terms of employment rates are unemployment prevention and vocational training programmes. The lowest rates of return to employment are observed after participation in job clubs and programmes for employment support (especially public works).

2.3.3 ACCESS FOR THOSE IN DISADVANTAGED RURAL AREAS

With regard to access to the education and training network, a school transport system does exist for pupils living in rural areas. The "Yellow Bus" Programme as it is known, provides for the transportation of pupils in outlying areas to secondary general education schools. However, there is no such programme for vocational school students, even though many districts and municipalities have a

vocational school or regional vocational training centre. The Sakiai district municipality, for example, organises the transportation of students to Marijampole regional vocational training centre. In addition, all higher education students, college type students, vocational school and general school pupils have various state guaranteed concessions to use public transport in and between towns. Moreover, the majority of vocational and college-type schools provide their students and pupils with dormitories. On average, students pay one third of their scholarship for dormitory facilities – 97% of vocational school students receive a scholarship which is less than the minimum living standard (MGL).

It should be noted that in recent years significant changes have occurred in the nature of training programmes offered by vocational and college-type schools. As a rule each school now provides training for a variety of occupational sectors, so the schools are becoming more polytechnic and less specialised. This obviously broadens the choice of opportunities available to young people and brings training "closer to home". However, there is still an uneven distribution of choice of training programmes across the country. Analysis of the data on projected enrolment to vocational schools for the school year 2002-03, indicates that Taurage county has the smallest range of training programmes (15 training programmes), and Telsiai and Marijampole counties have 21 programmes each. These figures compare unfavourably with Kaunas and Vilnius counties, where the range available is 127 and 121 programmes respectively (see figure 10 in annex).

2.3.4 PEOPLE WITH SPECIAL NEEDS

The Law on Education from 1991 defined the right of children with special needs to education at education institutions located close to their place of residence. This provided preconditions for the mainstreaming and social integration of the children with special needs into schools of secondary education. During 2001-2002 there were 48,029 children with special needs learning at secondary education schools. In 1998, a Law on Special Education defined the structure, management and organisation of an education system for the disabled including the whole spectrum of the education system. In 1999, the MES and MSSL adopted a 'Programme on Social and Pedagogical Conditions for Learning of Children'. Under the programme implementation (see chapter 2.2.2.) there was 1 youth school and 2 special schools founded in addition to the existing 24 youth schools and 63 special schools. In 2001-2002 there were 2,379 pupils at youth schools and 8,020 pupils at special schools.

At present in Lithuania there are three vocational schools training children with mental disabilities and schools for the deaf and hearing-impaired, blind and visually-impaired. During 2001-02 there were over 900 attending these schools which offer training under 18 programmes leading to a vocational qualification. Several VET schools provide conditions for learning of persons with motion problems.

All the services of the territorial LEs are available for the disabled on priority terms. In 2001, 4,408 disabled people were registered at the labour exchange. 79% of them (3,387 people) were involved in active labour market measures; 197 were in training. The employers have quotas for employment and the introduction of new job places (up to 2%). The expenses are covered from the Employment Fund. In 2001, 1,991 disabled persons were employed: 217 via a quota system, 664 were employed in newly created and subsidised working places, others filled normal vacancies or got a fixed-term contract.

In June 2002, the Government approved a National Programme on Social Integration of Disabled for 2003–12 as well as measures for its implementation. This programme embraces all the areas of the social integration policy of the disabled in Lithuania.

2.3.5 INTEGRATION OF EX-PRISONERS

Vocational training is available to prisoners (e.g. Panevezys RTC staff work at Panevezys Women Prison) the majority of whom are unskilled. According to a study carried out for the MSSL in 2000 in six prisons covering 1,476 prisoners, close to 8% of the prisoners did not have basic education and 56% did not have a vocational qualification. This increased to 71% amongst the 18-24 year olds. The programme for Increasing Employment 2001-04 foresaw measures to promote the employability of ex-prisoners including:

- projects on vocational guidance for young offenders and soldiers;
- special offenders social adaptation programme.

In 2000 and 2001, approximately 18% of the prisoners participated in vocational training. In 2001 the LLE allocated 149,000 Litas for the training of ex-prisoners and funding continued in 2002 for this purpose. At the end of the confinement period, 8,166 ex-prisoners registered at the LE. Over 30% participated in active labour market measures and a total of 786 were employed with the assistance of the LE.

2.4 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING ENTREPRENEURSHIP

Business economics has only recently been introduced into general education by the MES. In vocational education business economics became an obligatory subject in 1996.

However, separate elements of entrepreneurship promotion date back to 1993. The "**Lithuanian Junior Achievement** (LJA)" programme is one example. It aims at helping pupils to better understand the market economy. The number of schools participating in the programme increased from 30 in 1993 to 186 schools in 2000. The number of pupils participating increased from 1,500 to 10,000. All the teachers involved in the "Lithuanian Junior Achievement" programme have possibilities to upgrade their qualification and obtain new knowledge.

Another example is the **SimuLith** programme started in 1994 within the college-type schools system. It comprises the practical training firms, which simulate the real operation of enterprises. During 2001-02 the SimuLith programme included Vilnius University and 5 colleges, 8 vocational and 5 college-type schools as well as 5 secondary schools. The total amount of simulating enterprises increased from 16 firms in 1995 to 40 in 2002.

In 2001 a **compulsory entrepreneurship module** became part of the curricula in vocational education.

In 2001, the development of standards of economic literacy for primary, basic and secondary schools started. It was proposed to integrate economics within other subjects of the curricula in primary and basic schools. In upper secondary general education, economics will be an optional or compulsory subject depending upon the profile chosen by the pupil. The Minister of Education and Science appointed a working group in January 2002 to develop a 'Strategy for the universal economic literacy implementation at schools'. Corresponding initial and in-service teacher training is to be developed by 2003.

The **LLE** implements a **"Personal business organisation programme"**. Its objective is to provide methodological and financial support to the unemployed to start up a business. The LLE have developed maps of business environments that visually demonstrate the services already provided nationwide and those in demand. Useful information is also being provided on tax concessions for business start ups.

The LLE organise free two-week business courses for those who want to set up their own business. The financial support is provided by the SME Support Foundation under the local authorities and from the Employment Fund. During 2001 there were 60 persons who started their own business after receiving programme support.

2.5 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING EQUAL OPPORTUNITIES FOR MEN AND WOMEN

Equal opportunities between men and women are guaranteed in the Constitution and the "Law on equal opportunities between men and women" (1998). According to the law, article 4:

> *"The institutions of education and science must ensure equal opportunities for women and men regarding:*
> - *admission to vocational education institutions, colleges, institutions of higher education, and to qualification upgrading courses;*
> - *award of grants and provision of loans for students;*
> - *selection of curricula;*
> - *assessment of knowledge.*
>
> *Within the limits of their competence the institutions of education and science must ensure that curricula and text books do not propagate discrimination of women and men."*

Statistics Lithuania shows that **the educational attainment levels are higher for women than for men**. (see figure 20 in annex). Women are also more active in continuing training (see figure 22 in annex). There are no special measures in the education system targeted at changing participation rates based on gender. There are no national rules preventing equal opportunities in choice of education. Nevertheless, certain stereotypes are still prevalent. As an example, in a textbook on Ethics for grades 5 and 6 it is written *"The boys are in many aspects more gifted than girls: their mind is sharper, their will stronger and they have better organisational skills."* A general audit of text books to erase gender stereotypes has not been carried out.

Traditions in terms of choice of vocation still prevail. There are more women studying in areas such as social services, health care and personal services. There are more men studying construction, engineering, transport and security services (see figures 34 and 35 in annex).

At college level women dominate in areas such as teacher training, health care, services, business and administration and men in transport, computer and engineering programmes. The gender ratio is almost balanced in the following areas of studies, environment protection, arts, veterinary, mathematics and statistics, journalism, informatics and law.

There were no cases reported of gender-based discrimination of young people within the vocational guidance system, nor any cases reported of counsellors trying to dissuade young people from seeking a non-traditional qualification. However, according to vocational guidance specialists they are rarely sought out for advice of e.g. a young woman who wants to pursue a traditionally "masculine" profession.

Women's rights are defined under the Law on Support for the Unemployed, the Law on Work Agreement andthe Law on Health and Safety at Work. In 2000, women comprised 50% of all the employed. The unemployment rate for women was 15.1% in 2001[17] and lower than for men at 20.3%. Special priority is given to unemployed women with children under 14 years old in accordance with the Law on Support for the Unemployed which provides additional employment guarantees to this group. Employers receive quotas for their employment, training is organised especially for them, job search groups, community service, and other active labour market measures are also implemented.

Employers are obliged to apply the same selection criteria to men and women, provide the same working conditions, in-service training possibilities, apply equal concessions, work quality criteria and equal pay. However, the average wage of women is lower compared to that of men in all sectors of the national economy. The gender distribution at decision making positions is skewed in favour of men. This is the same in education, e.g. at general education schools where women make up 86% of the teaching staff, men account for 41% of school director positions.

17 According to the LFS (2001, November)

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Information about gender equality in the labour market is insufficient despite the fact that the Department of Statistics and the LLE publish indicators on employment, unemployment, activity level and wages in relation to gender. This situation is recognised by the Government: "Due to the predominating stereotypes or a simplified understanding of gender equality sometimes the employers and employees consider those issues in a formal way. The employees in many cases are not familiar with the guarantees provided to them by law."[18]

Thus, the principal of equal opportunities between men and women has not been fully implemented in the labour market, where women generally find themselves in a worse situation than men. Women enter the labour market with a higher level of education than men but have less opportunities to realise their full labour market potential. Due to this the Programme of the RL for Increasing Employment, 2001-2004 foresees measures to enforce the principle of equal opportunities between men and women. The measures are being gradually implemented: the draft National Programme on Equal Opportunities between Men and Women has been developed. This programme will supplement the basis of the normative documents, will provide equal rights to both parents bringing up young children, will provide a more favourable environment to women returning to work after a longer break, etc. The Programme deals with the issue of increasing male and female employment in economic sectors where they are underrepresented. For example, it is suggested to apply the VET guidance and counselling measures in order to promote the motivation of young men to undertake studies and later work in the spheres of social work and education.

Special training programmes for women returners to the labour market are planned to be developed as well as possibilities to upgrade or refresh their former qualifications. The plan includes an introduction to business start-up and involves around 200–300 women annually.

The issue of equal opportunities in the labour market is tackled by the Labour Market and Equal Opportunities Division within the Labour Department under the MSSL. The division conducts labour market monitoring and submits reports for discussion in the Tripartite Council.

18 Programme of the RL for Increasing Employment, 2001-2004.

3. CAPACITY OF PUBLIC (PES) AND PRIVATE (PRES) EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICIES

This part presents a general survey on activities of public and private agencies providing employment services. It is based on legislation, government programmes, annual reports of the Ministry of Social Security and Labour and the Lithuanian Labour Exchange, other related documents and surveys carried out in the field. Also results of interviews conducted specially for this project are used.

The overall employment and unemployment situation was described in chapter 1. The total client group of registered unemployed has increased from 114,000 in 1998 to 223,000 in 2001.

3.1 THE FUNCTIONS AND ORGANISATIONAL STRUCTURE OF THE PUBLIC EMPLOYMENT SERVICES

The **Ministry of Social Security and Labour** (MSSL) plays the key role in development of employment and labour market policies. The main implementing bodies for labour market policies and programmes are the **Lithuanian Labour Exchange** (LLE) and the **Lithuanian Labour Market Training Authority** (LLMTA). The first deals mainly with employment and the other with training issues.

3.1.1 FUNCTIONS OF THE LITHUANIAN LABOUR EXCHANGE

The LLE was established in 1991 at the MSSL. Its activity is regulated by the Law on Support of the Unemployed and by regulations and orders of the Ministry of Social Security and Labour. Under the Law on Support of the Unemployed, the LLE implements the following functions:

1. analyses supply and demand of labour and forecasts possible changes in the labour market;
2. registers available jobs and unemployed individuals;
3. looks for job openings and mediates the employment of citizens;
4. collects analyses and publishes labour market statistical information;
5. mediates and organises by itself vocational training of unemployed individuals and employees who are given notice of dismissal;
6. mediates the employment of Lithuanian citizens abroad and foreigners in Lithuania;
7. appropriately distributes the financial resources received from the Employment Fund, gives recommendations concerning the application of the Employment Fund finances, and reports publicly on how these monies were spent;
8. prepares national programmes and, together with local governments, territorial employment programmes, intended primarily for those groups of the population which are not in a position to compete with other citizens in the labour market under equal conditions (young people, socially supported people, the long-term unemployed, elderly and disabled);
9. together with municipalities and employers organises public works;
10. organises works financed from the Employment Fund;
11. pays unemployment benefits.

The LLE is thus responsible for job-brokerage as well as for managing a range of active labour market programmes. It also has responsibility for ensuring the legal employment guarantees for the groups identified in the Law on Support for the Unemployed. It is also granted with an exceptional right of the state to mediate the employment of citizens' abroad (other organizations may mediate the employment of citizens abroad only with licence). The services provided by LLE are free of charge.

3.1.2 ORGANISATIONAL STRUCTURE

The LLE consists of the **National Labour Exchange (NLE)** together **with 46 dependent territorial labour exchanges (TLE)**. The areas served by the TLEs vary in size and population. Therefore, for the sake of convenience, some TLEs have sub-district offices in addition to the main territorial office. At present, 28 TLEs have 46 additional sub-district offices, out of which two are specialised.

The LLE has tripartite advisory bodies at both the national and district levels. **The National Tripartite Commission** (consisting of nine members) advises the LLE on strategic issues, and on the overall balance of labour market programmes, including financing priorities (e.g. between programmes or between territories). Territorial commissions (consisting of six members each) consider and advise on activity reports submitted by the TLE, and may oversee the detailed operation of specific programmes at the local level. The commissions consist of an equal number of representatives of employees (trade unions, federations, associations, etc.), of employers (unions, associations, etc.), and of public authorities. Representatives of employees and representatives of employers are delegated by the above organisations. The Government appoints public authority representatives on the national commission; local governments nominate the public representatives for territorial commissions. Members are appointed for a period of two years.

The **NLE** is responsible for international co-operation and for analysing supply and demand of labour at national level and forecasting possible changes in the labour market. It also organises and finances

research on employment issues, and prepares reports and reviews on the labour market situation (both national and territorial). It manages the funds of Employment Fund in accordance with the settled manner etc. It manages the Employment Fund and the TLEs and allocates the funds necessary to finance their activities. The NLE is organised into a number of separate divisions – Labour Market Policy Implementation, Labour Supply and Demand, Information Systems, Employment Fund Accounting, and Foreign Relations.

The **TLEs** implement the functions of the Lithuanian Labour Exchange at the local level. They are subordinate to the NLE. Usually TLEs are organised into a number of divisions, dealing with Information Systems and Statistics, Employment Fund Accounting, Personnel and Administration, Client Services and Labour Market Programmes.

3.1.3 MANAGEMENT OF THE SYSTEM

As already noted, the LLE operates within a legal framework set by the Constitution of the Republic of Lithuania, the Law on Support of the Unemployed[19], and other relevant laws and regulations[20]. Its activities, including the costs of the national and territorial commissions, are financed from the Employment Fund.

The **LLE** is established by the Government which approves the regulations governing LLE and appoints the Director General.

The **MSSL** coordinates the activity of LLE according to the needs of the labour market. It defines the goals and objectives of LLE, and funding comes through the MSSL. The NLE, in turn, determines the expenditure for maintenance and salaries of the TLEs.

The LLE is run by the Director General, who is appointed by the Government on the recommendation of the Minister of Social Security and Labour. The Director General is responsible for the activity of the LLE, manages its property, and organises the meetings of the national Commission[21]. In consultation with municipalities, he/she appoints (after open competition) and may dismiss directors of the TLEs.

The **national Commission** advises the LLE on strategic issues, and on the overall balance of labour market programmes, including financing priorities (e.g. as between programmes or between territories). **Territorial Commissions** consider and advise on questions of labour market policy implementation arising at local level.

Links between TLEs and **municipalities** are regulated by the Law on Support of the Unemployed, LLE Regulations and orders of the Ministry of Social Security and Labour. Co-operation is implemented through the organisation of public works, implementation of the Programme for Assigning of Loans to the Unemployed for Organisation of Their Business[22], prevision of preventive measures to support employees facing collective dismissal etc.

LLE has signed more than 5,000 agreements for co-operation with employers and partnerships representing them and their employees[23] on a voluntary basis.

Co-operation with **foreign partners** is seen as very important in the development and improvement of LLE's activity. Foreign partner support has contributed to the establishment of new employment centres, the introduction of management by

19 The Law of the Republic of Lithuania on Population Employment was adopted in 1990; in 1996 it was renamed "The Law on Support of the Unemployed".

20 Amendments to the regulations of the LLE are being prepared at present.

21 Directors of TLE organise meetings of territorial commissions; the meetings have to be organised once in a quarter at least.

22 Together with municipalities settles priority directions for development of small business in a certain area.

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objectives, equipment for self-information search centres, and the development of a new methodology for labour market forecasting.

3.1.4 ISSUES

A number of issues can be identified, in relation to the functions and organisation of the LLE that may impact on its capacity to support national employment policy aims.

Nearly all functions of the LLE are prescribed in detail by law or regulation. The legal prescriptions involved are **not always clear** and unambiguous. For example, Article 19 of the Law on Support of the Unemployed declares that LLMTA should organise vocational counselling and training for unemployed individuals and employees who are given notice of dismissal. Article 22 of the same law states that the Lithuanian Labour Exchange mediates and can itself organise vocational training for these same groups. In practice this results in some **duplication of activity**[24].

Despite the territorial administrative structure and the existence of territorial commissions, it was noted in the JAP that decision-making in the **LLE is seen as over-centralised**[25]. It is felt that territorial exchanges do not have sufficient freedom of action to respond positively to the specific situation in their local labour markets. According to the data from a 1996 survey[26], representatives of employers and employees participated only passively in meetings of the tripartite commissions. The decisions adopted mainly relied on information prepared by territorial labour exchanges' executive staff. Members of the tripartite commissions lacked theoretical and practical knowledge on employment issues. There was nearly no co-operation among territory commissions. Tripartite Commissions very often carried out their functions formally and did not have significant influence on the labour market. The responsibility for decisions adopted during meetings was not clearly defined.

These problems persist. According to the evaluation of experts from the Twinning programme "Preparation for Participation in European Employment Strategy" (currently underway), in some territories tripartite commissions function very well and in some insufficiently well. Equally, the possibilities of municipalities as partners are not fully exploited. The experts of the Twinning programme indicate two problems as the reasons: firstly, employment questions are not the main activity of municipalities and, secondly, staff resources of municipalities are limited.

In the study "Employment and Labour Market in Lithuania" (European Training Foundation working document, 1999) it is noted that in comparison with western countries, Lithuania lacks strong employers' and employees' organisations. Local organisations for employers and employees are weak and passive. In the same study it is mentioned, that for eight years no special courses or seminars for training of social partners were organised.

There is no official data for evaluation of effectiveness of the links achieved through the co-operation agreements with employers and their representative bodies. Finally, the information obtained from the interviews indicates that **the links with private employment agencies are very weak** (see section 3.5).

The Programme for Increasing Employment (2001-2004) included plans for effective decentralisation of management of the LLE by introducing an intermediate regional management structure in line with the overall public administration reform. Regional offices would have greater capacity to analyse local labour markets, and to contribute to

23 Activity of Lithuanian Labour Exchange and Labour Market 1991-2000, Vilnius, 2001.

24 Repetition of the activity between LLE and LLMTA is indicated in the Programme of the Republic of Lithuania for increasing employment for 2001-2004; the same observations are made by experts of the Twinning programme "Preparation for Participation in European Employment Strategy".

25 *Joint Assessment of Employment Policy Priorities in Lithuania*, p 27.

26 *Social partnership in regions of Panevezys county*, National Labour Exchange, Institute of Labour and Social Research, 1996.

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local employment plans, than do the existing district offices. **In practice no significant changes in the management of LLEs have been made to date.**

However, a Twinning programme "Preparation for Participation in European Employment Strategy" is now being implementated together with experts from Denmark and Sweden. One of the specific objectives of the programme is the reorganisation of administration of Lithuanian labour market agencies. It is planned to reorganise and decentralise Lithuanian employment and labour market policy and to redefine the responsibilities at central, regional and local level, to improve the planning and management system and to reorganise the system of tripartite co-operation. Successful implementation of the programme will be essential to the solution of the identified problems of the LLE system.

Some limited initiatives have been taken to address the above mentioned problems in social partnership. One of them is a sub-project "Strengthening and Development of Social Dialogue in Lithuania" of the Phare project "Support Integration to Europe in Lithuania (SEIL)". As part of sub-project, four seminars for the training of social partners were carried out. However, no concrete measures or mechanisms for development of the activity of tripartite commissions have been created in recent times. In fact, the situation has not changed since 1996. To summarise, the activity of **tripartite commissions remains more formal than effective**, and its development receives insufficient attention. This conclusion is supported by the results of interviews carried out.

Although in the Programme of the Republic of Lithuania for increasing employment for 2001-2004 there are some measures foreseen for improvement of co-operation with private employment agencies, no real improvements achieved yet in this sphere.

3.2 RESOURCE ALLOCATION TO THE PES

3.2.1 FINANCING

In 2001, nearly 37 million Litas were allocated for the staff, administration and overhead expenses of LLE (0.08% of GDP compared to 0.11% in Denmark, 0.01% in Cyprus), just over 59 million Litas for active labour market programmes (0.12% of GDP), and about 72 million Litas (0.15% of GDP) for passive programmes. Planned expenditures under these headings for 2002 are 41 million Litas, 75 million Litas and 71 million Litas, respectively. The redistribution of programme expenditure in favour of active measures is partly determined by an expected decrease of unemployment in 2002. The structure of employment expenses is shown in annex.

The average monthly gross salary of LLE employees was slightly larger in 2001 than in 2000 (1,117.0 and 1,103.5 Litas correspondingly). In fact it did not differ considerably from the state average[27]. In 2002, a salary increase of up to 1,169.0 Litas per month is foreseen.

Lithuanian expenditure on all three categories – on the core employment service, on active measures, and on passive benefits – is very low.

As noted in the Joint Assessment of Employment Policy Priorities in Lithuania, uncertainty in the arrangements for funding poses significant problems for the LLE. At present, all of its activities are financed from the overall Social Fund. However, expenditure from the Social Fund goes initially, as an absolute priority, to certain "entitlement" programmes such as old age pensions. Any shortfall in the social contribution income of the Social Fund below that anticipated for the fiscal year therefore translates into a more than proportionate decrease in the allocations to the employment service. Within the LLE budget in turn unemployment benefit payments are given absolute priority, so that all of the decrease falls on the actual

27 According to official data in 1st quarter of 2002 the average gross monthly salary in the state economy was 1,088 Litas.

provision of employment services, including active programmes.

A Conception for Reorganisation of Unemployment Insurance, which contains a new financial model to fund labour market institutions (LLE and LLMTA), is at an advanced stage of preparation. The Conception suggests that the core activities of the labour market institutions, and active labour market measures, should be financed from the state budget, and to allocate funds from social insurance only for unemployment benefits. It is expected that such a model would ensure stability of financing for core LLE activities and for active labour market measures. However, discussions of the first draft of the Conception revealed that the state budget does not possess sufficient funds for the full implementation of this proposal. It has been suggested as an interim measure that only LLMTA should be financed from the state budget and that the LLE should continue to be financed from the Employment Fund. The Conception should be presented to the consideration of Government of Republic of Lithuania in the near future.

3.2.2 PERSONNEL

Currently the LLE has an overall staff of 1,312 of whom 54% are front-line staff. Women make up 82% of the personnel. According to Labour Exchange data, the average age of employees is 41. 72% of employees are 30-50 years old. Most employees (79% of total employees excluding technical personnel such as cleaners, drivers etc.) have higher education diplomas.

During interviews the impression was formed that employees of the LLE are sufficiently highly qualified specialists and experienced in their sphere. In the Labour Exchange report[28] it is noted that a unified system for personnel formation and qualification improvement was introduced to help specialists to improve qualification skills and provide clear career paths. Two specific projects have started in this area – one dealing with training for quality of service, and a second, "Preparation of Strategy for Training of Lithuanian Labour Exchange Personnel".

In the TLEs the number of personnel varies from 13 to 181. The ratio of front-line staff in the overall structure of the personnel varies from 38% to 67 %. As already mentioned, areas served by the TLEs differ in both size and population. The analysis of data by territories served shows that the ratio of the labour force to the number of the TLE staff ranges from 553 to 3,164[29]. The same is characteristic of the ratio of unemployed registered at the labour exchange to front-line employees. The ratio in different territories ranges from 76 to 641[30]. It is evident that workload in some of the TLEs is considerably bigger as compared to others and this is likely to produce wide variations in the quality of services provided. For example, recent amendments to the unemployment benefit regulations[31] provide that for unemployed registered in the labour exchange during a period of a month and even sooner for some of them[32] an "employment plan"[33] has to be prepared. Data from March, April and May 2002 concerning the unemployed registered at the labour exchange suggest that in almost one third of the TLEs for each front-line employee there are 30 or more newly registered unemployed per month. Taking into account the flow of the newly unemployed and obligations to the existing unemployed, it can be seen that in some territories it will be extremely difficult to meet the target of producing "employment plans" of the desired quality and within the desired time-scale.

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28 *Activity of Lithuanian Labour Exchange and Labour Market 1991-2000*, Vilnius 2001.

29 Data from Labour Force Surveys by Statistics Lithuania, 3 quarter, 2001, was used to estimate.

30 Stock data on the registered unemployed at the end of May 2002 from reports of TLE was used to estimate.

31 A partial amendment of the procedure was adopted on 15 January, 2002, by MSSL, Minister order No. 5.

32 For graduates from secondary, vocational, college-type and higher schools and persons under 18, who have not finished secondary general education, vocational, college-type and higher schools, an "employment plan" has to be prepared within seven days of registering at the labour exchange.

33 "Employment plan" includes unemployment and labour exchange measures aiming at employment.

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The available data do not distinguish between consultants and other front-line employees. Moreover, because of insufficient personnel, the employees may carry out several functions, including functions of consultant. In addition, visiting specialists from Labour Market Training and Counselling Services provide consultations to the unemployed in the TLE. However, it should be noted that the lack of funds limits the number of such visits. Visits to some areas happen once a week or even more seldom. Given these factors, it is not possible to establish the ratio of number of unemployed for one consultant, and how this varies across the TLEs.

Because of a lack of data it is hard to assess how many and what type of functions each employee implements in reality. Analysis of legal acts regulating TLE activity, suggests that a large share of the staff's work relates to administrative tasks. For example staff of the TLE must check if a person searching for a job has not registered an enterprise or acquired a patent for commercial-economic activity. The TLE staff must also issue "unemployed registration certificates"[34], organise the establishment of new work places and conclude contracts with employers, check the readiness of enterprises to employ unemployed, control implementation of contracts, choose training institutions for unemployed training, implement control of territorial employment programmes etc. Administration is a time consuming activity. Therefore it is likely that, in particular in the TLEs with limited personnel and a large number of unemployed, quality of service suffers, because the time for direct contacts with clients is insufficient.

3.2.3 COMPUTERISATION OF LABOUR EXCHANGES

In 1999, a new information system[35] "DBIRZA-I" was introduced by the LLE. With the assistance of the system, various certificates for inhabitants are issued, statistical reports are prepared etc. The system also covers a range of services to unemployed: registration of job-seekers and vacancies, search for vacancies, allocation and payment of benefits and training benefits, application of active employment measures. In the system database, information is accumulated on organised training courses, public and subsidised jobs. The system is designed not only for those seeking employment, but for employers as well[36]. The latter are provided with information about specialists they are interested in.

Each TLE has a local server connected to the centre. Almost all staff directly serving clients have a computerised job place. However, the majority of computers in use were obtained in 1990-1995. In the opinion of the Twinning programme experts, the main problem in the field is the use of out-dated hardware. They also indicate the necessity to renew the computer network operational system and the data management system[37].

The so-called Clients' Open Information System functions in all territory labour exchanges. It is implemented through specialised centres[38], where the self-information search system is introduced. In 46 TLE there are 52 terminals, which provide clients with information on both vacancies and training opportunities.

As a further development of the open information system in the beginning of 2001, a system "Labour Exchange on Internet" (LEI)[39] was introduced. This is an

34 In the *Joint Assessment of Employment Policy Priorities in Lithuania* it is noted that in 2000 alone labour exchanges issued approximately 70 000 certificates per month.

35 First LLE information system was established in 1993.

36 *Activity of Lithuanian Labour Exchange and Labour Market 1991-2000*, Vilnius, 2001.

37 The Specific Objective 4 of the Twinning programme "Preparation for Participation in European Employment Strategy" is enhancing of information management and reporting including the ability to monitor, analyse and forecast labour market trends.

38 In total there are 48 specialised centres: 5 Job, 40 Information and counselling, 3 Youth Job centres.

39 http://www.ldb.lt

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free of charge Internet service for people searching for jobs and employers searching for employees.

To summarise, it can be noted that the LLE, while developing its activity, introduces and uses information technologies. Under the current Twinning programme "Preparation for Participation in European Employment Strategy" it is planned to improve information management in labour market institutions and technical and programming equipment.

3.2.4 ISSUES

Personnel in the LLE are of high quality and experience. Personnel are trained purposefully according to a single system. Information technology is relatively widely used in the activity of the LLE, with most job places of those directly serving clients being computerised. It is believed that projects now underway will ensure further development of personnel and information management systems in the near future[40].

The main resource problems are related to uncertainty of funds and the uneven distribution of resources across the TLEs. The impression is that territorial labour exchanges differ greatly both quantitatively and qualitatively.

A possible solution to the problem is presented in the draft Conception for Reorganisation of Unemployment Insurance, but it appears that the lack of finance in the overall state budget will prevent full implementation of these proposals. In the interim, the Twinning programme "Preparation for Participation in European Employment Strategy" should help to strengthen labour market institutions, including the LLE.

3.3 COVERAGE OF PUBLIC EMPLOYMENT SERVICES

3.3.1 RATIO OF CLIENTS OF LLE AS COMPARED TO ALL UNEMPLOYED

Very often during interviews it was mentioned that clients' trust in the labour exchange has risen significantly in recent years. Some support for this view is given by comparison of Labour Force Surveys (LFS) by Statistics Lithuania and data from the LLE itself.

The level of unemployment in Lithuania is assessed in two ways: using data from the Labour Exchange (the registered level of unemployment) and the labour force surveys[41]. In 1995, comparison of these two data sources indicated that only 31% of the total number of unemployed was registered with the LLE. However, this proportion rose to 74 % in 2000.[42] This growth in the share of registered unemployed in comparison with the survey data shows that the credibility of the LLE among the unemployed has been rising. While the proportion of all unemployed registered with the LLE fell slightly in 2001, it remained over 70%.

3.3.2 VACANCIES

Registration of vacancies is compulsory to every TLE. However, in the absence of reliable data on the total number of vacancies arising in Lithuania each year, it is not possible to estimate what share of vacancies is actually notified to the LLE.

3.3.3 ISSUES

Coverage of the LLE among the unemployed is relatively high – over 70% – and has risen in recent years. On the other hand, it remains unclear if the popularity of the LLE is caused by variety and quality of services or by social guarantees (i.e. unemployment benefits) for registered

40 e.g. Twinning programme "Preparation for Participation in European Employment Strategy"

41 Statistics Lithuania implements labour force surveys since 1994.

42 For calculations data presented in the Statistical Yearbook of Lithuania, 2001 was used.

unemployed. It is not possible to assess what share of vacancies is notified to the LLE, or whether this share has been rising in recent years.

3.4 RANGE AND QUALITY OF SERVICES

3.4.1 SERVICES FOR JOB-SEEKERS

The services provided by the LLE are primarily oriented to job-seekers. They include guidance and vocational counselling, information on vacancies, mediation of employment in Lithuania and abroad, assignment and payment of unemployment benefits, preparation of employment plans, issuing of certificates, organisation of public works and works supported from the employment fund, issuing of recommendations for employment and public works, organisation of vocational training and job clubs, counselling and financial support in setting up own businesses, etc. In addition, the labour exchange checks the conditions and readiness of enterprises to employ the unemployed before sending them to the supported works, concludes contracts with employers and controls their implementation, also administrates subsidies for employment support.

In implementation of its overall goals and objectives, the LLE implements the following active labour market policy programmes (active measures):

- Unemployment prevention,
- Job clubs,
- Vocational training,
- Employment support.

In addition to general programmes the labour exchange organises and implements *targeted* labour market programmes – e.g. for youths aged up to 25, for recent graduates, and for the long-term unemployed.

The priority in provision of services is given to certain groups in the population (disabled, long-term unemployed, newly released prisoners etc.) defined by the Law on Support of the unemployed. Lack of resources limits the LLE's capacity to provide services and programmes for all those even in its priority target groups. This is despite measures taken to increase the efficiency with which funds are used. (For example, in 2001 costs of vocational training were reduced substantially when a tendering procedure for provision of training services was introduced. This allowed an increase in the number of participants in the programme[43]). However, although in 2001 the share of those participating in active labour market policy measures as compared to all unemployed increased in comparison with 2000[44], it still remains less than the corresponding indicators for 1998 and 1999.[45] It is also to be mentioned that in 2000-01 the average duration of training has been reduced[46]. From one side this allows funds to be saved from the Employment Fund, but from the other side it limits the quality of training.

According to LLE data the rate of return to unemployment after participation in active measures (RRU) is 71.9% and appears high. On that ground it can, thus, be assumed that implementation of active labour market policy programmes is ineffective enough. The RRU has varied only within a narrow range – 72%-76% – over the last few years. Official data on RRU breakdown by active measures and territories is not provided.

Most of those referred to active measures participate in the Employment Support programme and especially in its Public Works component. For instance, in May 2002 the employment support programme

43 Activity of the Labour Exchange in 2001.

44 In 2000 the share of those participating in active labour market measures as compared to all unemployed was 3.8%, in 2001 – 4.8% (average annual numbers).

45 In 1998, the share of those participating in active labour market measures as compared to all unemployed was 9.5%, in 1999 – 6.8% (average annual numbers).

46 The average duration of training courses is two to three months. During short courses it is only possible to introduce the profession and give basic information, but it is hardly possible to prepare a person for a new profession.

accounted for more than 50% of participants in almost three-quarters of all the TLEs. People in public works constituted on average about 87% of the total engaged in employment support, (about 49% of the total number of those in all active measures). According to the numbers of participants in each active measure, the job clubs programme takes second place, vocational training – third and unemployment prevention – fourth. Bearing in mind that most of the registered unemployed are assessed by the LLE, as being insufficiently prepared to meet labour market requirements[47], it seems more attention should be paid to vocational training.

Analysis of LLE data shows big disparities in the level of service across the TLEs. For example, based on May 2002 data, differences between TLEs by share of unemployed directed to active measures compared with total number of registered unemployed was five times higher[48]; it was about 13 times[49] by share of placements. This confirms the earlier observation that the TLEs vary greatly in their capacity to fulfil delegated functions and in the quality of services provided.

3.4.2 SERVICES FOR EMPLOYERS

Services for employers include selection of employees for temporary (seasonal) works and placement of information about vacancies on the LLE website. The latter according to employers' wishes. Also, taking into account employers' needs, LLE carries out a special talent bank programme (a database of high skilled workers, available on the LLE web site).

According to information provided by the LLE the majority (over 90%) of employers is satisfied with the services provided.[50]

3.4.3 SERVICES BASED ON INFORMATION TECHNOLOGY

Services based on IT have already been mentioned in section 3.2 *(Computerisation of Labour exchanges)*. They include a self-service search of vacancies and training possibilities, presentation of information about LLE services, situation on labour market, forecasts and etc.

Self Information Service (SIS) has been created on the basis of Internet technologies. This system is designed for public use. As mentioned earlier each TLE is equipped with a terminal for SIS. The usage of SIS is so simple that everyone even computer illiterate can easily find required information. For jobseekers' convenience SIS terminals are being established not only in TLE offices, but also in places of public gathering, e.g. in the central post office, university, municipalities, etc. The information about vacancies is updated automatically as the SIS terminals are connected with local labour exchanges' information system DBIRZA-I.

The system "Labour Exchange on Internet" (DBI) is available for everyone who has access to Internet. DBI is an additional function of DBIRZA-I allowing people to use current information about vacancies, job seekers etc. Job seekers have a possibility to register in DBI directly from their PC. Employers can place information about vacancies in DBI only in case they have contacted TLE. In 2001 a new service, i.e. "Questions and Answers" was introduced on the Internet. It is designed for interactive communication between TLE specialists and visitors to the website[51].
A unique guidebook "Mass Lay-off Handbook" created by Danish and Lithuanian experts is also available on the Internet.

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47 According to LLE data 75.4 % of registered unemployed were not ready to meet the requirements of labour market (i.e. they or haven't any qualification or have inappropriate to labour market qualification).

48 In May 2002 the ratio "involved in active measures/registered unemployed" in separate TLEs varied from 35% to 193%.

49 In May 2002 the ratio "placements/registered unemployed" in separate TLEs varied from 74% to 206%.

50 Activities of the Lithuanian Labour Exchanges, Annual Report, 2001.

51 Activity of Lithuanian Labour Exchange and Labour Market 1991-2000, Vilnius, 2001.

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3.4.4 MONITORING

LLE has practiced Management by Objectives (MBO) for several years. At the beginning of every year the Minister of SSL defines Objectives and Tasks for the labour market institutions (LLE and LLMTA) in coming year. Based on this document the General Director of LLE and Director of the LLMTA decide about objectives and tasks for their organisations.

Annual objectives and tasks are established for each TLE. The results are followed up monthly and quarterly. By using certain indicators comparison between plans and results achieved are made for every TLE. At the end of the year the Director General has evaluation talks with every TLE Director. The results of the year are discussed as well as aims and problem solving in the coming year.

In the opinion of the Twinning programme experts the objectives decided by the Minister for the year 2001 are similar to those defined in other European Union countries, but targets need to be further developed. Also they suggested it would be better to prepare separate Minister's Orders on objectives and tasks for the different labour market institutions (LLE and LLMTA) instead of a common one for both authorities. Some remarks were made concerning the timing for Minister's document preparation and dialogue between MSSL and labour market institutions.

According to the Twinning programme experts the process of Management by Objectives in LLE is well-established and the system of *labour market indicators* is in line with that used in other European countries, but the system of *performance indicators* needs some improvement.

3.4.5 ISSUES

LLE provides services for both job seekers (primarily) and for employers. Services based on information technologies are being introduced and further developed. LLE has been practicing MBO for several years. A yearly process of MBO is rather well established. Successful implementation of the Twinning programme will further improve MBO and the system of indicators.

The main problems are related first, to the rate of return to unemployment (RRU), which partially indicates insufficient effectiveness of implementation of active labour market policy programmes and second, to existing differences between separate TLEs.

3.5 ROLE OF PRIVATE EMPLOYMENT SERVICES

The material on PRES is based on legal acts, official statistics and internet data. Also results of interviews conducted specially for this project and survey on PRES[52] are used.

3.5.1 LEGISLATION

There are no special Laws regulating the activities of private employment agencies (PREA). The same laws are valid for all enterprises (including PREA) of the Lithuanian Republic. No formal permission is needed to provide employment services in Lithuania itself. However, where a PREA seeks to mediate the employment of Lithuanian citizens abroad a licence is obligatory under the Law on Support of unemployed. MSSL decides on procedure for delivering licences to PREA[53].

3.5.2 PRIVATE EMPLOYMENT AGENCIES

The first private employment agencies appeared in 1993. Since that time the number of Private Employment Agencies (PREA) has been gradually increasing[54]. PREA are located in the three biggest

52 Survey on PRES was carried out in the beginning of 2002; Survey manager – Boguslavas Gruzevskis, expert – Inga Buckaite.

53 Currently valid order on licences to mediate employment abroad delivery procedure was approved on 12 November, 2001, MSSL Minister order No 149.

54 According to Internet data the number of PREA has decreased slightly in 2001.

towns of the country, with only sparse coverage in other areas. According to data provided by Statistics Lithuania there are 85 private employment agencies at the moment. Most of them (58%) have three or fewer employees and only 12% have ten or more employees. Based on MSSL data 39 PREA have licenses to mediate the employment of Lithuanian citizens abroad.

Mediation of employment is the main service provided by PREA. According to data presented on the Internet, about 62% of them also provide consultation services. Based on the structure of clients PREA can be divided into two groups: job seeker oriented and employer oriented. In the first case job seekers pay for services provided, in the second employers pay. While it is hard to assess what is the exact share of PREA that are job seeker oriented, based on expert evaluation more than half of the total number of PREA fall into this category.

Interviews suggest that private employment agencies of the first type pay little attention to the results of services provided. The majority of their clients are people with low qualifications having no job. The agencies simply make use of the database of vacancies presented on the LLE homepage, which is available for everyone having access to internet. The other popular source of information is mass media. After the job seeker pays for service his/her CV together with data of other candidates is sent to employers. Thus, success in finding a job depends more on chance than on the PREA. It seems some private employment agencies profit from the naiveté of people who have lost their job. Also during interviews some doubts concerning the competence of PREA staff to carry out the mediation function arose.

Employers are the main clients of the second type of private employment agencies. Usually these are big or international companies, often market leaders. Mostly, clients' needs are related to the search and selection of high-qualified specialists as well as qualitative development of existing staff. These requirements determine the character and quality of services provided. PREA employees are highly qualified specialists usually having a psychology background, familiar with several foreign languages and computer literate. The offices of these employer oriented PREA are well-equipped.

3.5.3 CO-OPERATION WITH LLE

Co-operation between LLE and PREA is limited. Survey data reveal that in general joint meetings, conferences, seminars etc. to discuss or solve problems related to employment are not being organized. More formal links are established between the LLE and those PREA having licenses to mediate employment for Lithuanian citizens abroad. The latter must provide LLE with information about their activities once per month[55].

3.5.4 ISSUES

PREA are mostly located in big towns and do not cover the whole country. Usually these are small businesses employing several persons. No legal acts regulating activities of PREA are established except cases when an agency seeks to mediate employment of citizens abroad.
Co-operation between public and private employment agencies is underdeveloped. PREA differ by type of clients and staff qualifications as well as by quality of services provided and office equipment.

3.6 REFORM OF THE PUBLIC EMPLOYMENT SERVICE

The management system and organizational structure of employment and labour market institutions was established in 1990. As indicated in the Programme of the Republic of Lithuania for Increasing Employment for 2001-2004, since that time there has been very little change in these arrangements. The same can be said of the priorities of employment and labour

55 Order on licences to mediate employment abroad delivery procedure, 12 of November, 2001, MSSL Minister order No 149.

market policy. According to the Programme, *"The current system of labour market institutions does not fully match the territorial administrative distribution and requirements brought about by public administration reforms"*. A number of measures to solve these problems are set out in the programme. They are related to rationalisation and decentralisation of the management system, improved monitoring, and also a suggested transfer of some LLE functions to private employment agencies.

The Twinning programme "Preparation for participation in European employment strategy" is the next important step towards reform of the LLE system. The overall objective of the Twinning programme is to support Lithuania's participation in the European Employment Strategy, and in particular its harmonisation with European Guidelines and Practices and preparation for participation in the European Social Fund. The programme was started at the end of 2001 and should be completed in 2003. Expected results are related to policy integration with respect to labour market and employment policy, reorganisation of the Lithuanian labour market administration, administrative capability to handle Lithuania's participation in European Social Fund and improvement of information management and staff training.

3.6.1 ISSUES

The current Lithuanian employment and labour market management system and organisational structures have been functioning nearly unchanged since being established. The necessity to reform labour market institutions is caused by rapid regional changes in the labour market and a shift of emphasis from national to regional and local aspects in the employment and labour market policy.

A number of measures addressing issues related to reorganisation of labour market institutions are set out in the Programme of the Republic of Lithuania for Increasing Employment for 2001-2004, but some of these are rather doubtful in respect to effectiveness. For instance, passing some of the LLE functions to PREA seems questionable given the private employment agencies' lack competence in related fields *(section 3.4)*.

Concrete proposals concerning changes needed to reorganise the current system of labour institutions are to be formulated under the current Twinning programme aimed at preparing for the implementation of the European Employment Strategy.

3.7 SUPPORT FOR IMPLEMENTING THE EUROPEAN EMPLOYMENT STRATEGY

The Government of the Republic of Lithuania formulates overall strategic policies for employment and the labour market. Although Lithuania has experienced frequent changes of government in recent years, employment and labour market policies have remained almost untouched. While such stability is desirable in some ways, it may also indicate a lack of flexibility in changing the focus of policy in response to changing labour market circumstances.

Top-level state governance institutions take the majority of decisions having influence on employment. MSSL plays the key role in the field, and the contribution of other ministries is seen as insufficient. During interviews respondents declared the main problem in the field is weak and rather formal links between ministries. Based on their opinion the main obstacle in developing relations between institutions is that they traditionally interpret themselves as separate parts, but not as a part of the whole. Some progress was achieved through the preparation of such national documents as the Programme of the Republic of Lithuania for Increasing Employment for 2001-2004, National Development Plan, Single Programming Document etc. The fact that respondents representing ministries started perceiving the significance and advantage of co-operation also shows a positive trend in the field. Nevertheless, these developments are limited as yet and the dialogue between ministries needs to be further developed.

On the regional level, Administrations of County Governors have some influence on employment policy, but their functions have not been clearly defined. Based on interview results, in some counties Municipalities are rather active in dealing with regional development problems including employment issues, but in others co-operation with other institutions is very weak and more formal. Both county governors and those representing municipalities have indicated they are not practically invited to participate in the preparation of national documents. During the conversations respondents indicated a problem in respect of statistical information. They stated that regional statistics are very poor and outdated. Timely data is an urgent problem at national level as well. Also it must be acknowledged that an exchange of information between different management and administrative institutions is rare at both national and on regional/local levels. Respondents emphasised the shortage of qualified specialists to deal with employment issues as well as the lack of resources. These problems are felt at all levels.

The system of tripartite institutions in Lithuania consists of a whole group of tripartite structures operating on national and regional level: Tripartite Council of the Republic of Lithuania[56], Employment Council under the MSSL, Tripartite Commissions at both the National Labour Exchange and at each TLE. In general, structures for social dialogue are established but as noted in the annual report of the MSSL "... the social dialogue is unsatisfactory... In most cases this is determined by a lack of experience of social partners, vagueness of their role and functions"[57].

Only a few months have passed since the Joint Assessment Paper on Employment Policy Priorities in Lithuanian was signed. It is a too short a period for radical changes to the LLE system. Therefore the problems pointed out in the document remain important, and continued efforts to address these problems will be necessary to prepare the LLE system for European Employment Strategy implementation.

3.7.1 ISSUES

The environment for the implementation of the European Employment Strategy is made difficult by the weak partnership between different institutions, shortage of qualified specialists addressing employment issues as well as lack of information.

Successful implementation of the Programme of the Republic of Lithuania for increasing employment for the 2001-2004, Twinning programme "Preparation for Participation in European Employment Strategy" and other related projects will be essential in order for these problems to be solved.

56 Tripartite Council of the Republic of Lithuania addresses the most acute labour, social and related economin issues on national level.

57 Social Report, MSSI, Lithuania, Vilnius 2001.

4. CONCLUSIONS

During the last 12 years since regaining independence, Lithuania has experienced periods of economic decline interchanging with periods of growth. In 2001, economic growth was estimated at 5.7% and a similar growth rate is expected in 2002. At the same time the employment rate is low and decreasing. In 2001, it was 57.7% compared to 64% in the EU. While the female employment rate in Lithuania is higher than the EU average, male employment is considerably lower. Lithuania faces a serious unemployment problem. In 2001, the unemployment rate was 17% compared to 7.6% in the EU. Male unemployment is higher than female unemployment, long term unemployment is very high at approximately 28% (2000) and the youth unemployment rate was 30% in 2001. These challenges set the overall framework in which the Lithuanian vocational education and training system and the employment services have to operate.

Lithuania has a **well-developed legal framework and conceptual basis** for the continued development of a flexible vocational education and training system geared towards labour market needs. The reform of initial VET is wide-ranging and ambitious. It includes:

- rationalisation of the vocational school network;
- creation of colleges of non-university higher education;
- introduction of a vocational teaching qualification;
- delegation of competencies to the school level;
- introduction of modular competence based curricula;
- development of vocational standards;
- reforms to the assessment process with the involvement of the Chambers;
- introduction of a modern quality assurance system for training delivery;
- development of structures for social dialogue;
- creation of institutions to provide the necessary methodological support.

In addition structures have been created to support the delivery of labour market training for the unemployed. These include:

- creation of the Lithuanian Labour Market Training Authority and a network of labour market training centres;

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- development of 30 modularised labour market training programmes;
- decision to allow for the recognition of vocational qualification acquired through formal, non-formal and informal learning on an equal footing.

Lithuanian **concepts are in accordance with the Lisbon Council conclusions, the Employment Strategy and the Memorandum on Lifelong Learning**. The policy documents reflect the four pillar structure of the Employment Strategy (employability, entrepreneurship, adaptability, and equal opportunities). The emphasis on an integrated education and training system is in keeping with the Memorandum on Lifelong Learning and special attention has been paid to areas such as innovation in teaching and learning, valuing learning, rethinking guidance and counselling, bringing learning closer to home and new basic skills for all.

With regard to the Lisbon European Council conclusions, several objectives have already been incorporated in the strategic documents such as the Programme for Increasing Employment and the Government Programme 2001-2004. Key developments include the:

- introduction of an entrepreneurship module in all vocational training programmes;
- drive for universal computer literacy;
- computerisation of schools;
- establishment or regional multi-purpose vocational training centres;
- expansion of distance education facilities;
- development of the system of assessment and recognition of knowledge and skills gained through non-formal and informal training;
- launch of special training programmes tailored to target groups.

However, a number of issues remain which Lithuania will have to address in the near future. A key issue is the **discrepancy between concepts and initiatives which have been started on a pilot basis and the lack of funds to ensure large scale implementation of the same initiatives**. This is evident in key areas such as the slow progress made in the development of the national qualifications framework, teacher training (75% of vocational teachers do not have a pedagogical qualification), provision of up to date equipment and infrastructure, etc. The lack of funding is often quoted as the main issue, however, Lithuania spends approximately 30% of public budget expenditure and 6.1% on GDP on education and though the target of GDP expenditure is 6.5%, it will be difficult to increase expenditure substantially.

This leads to a **need for rationalising the system** to allow for internal savings. In this regard it will be important to improve overall policy integration and co-ordination and especially the links between initial and continuing VET. Presently, Lithuania maintains two parallel systems for initial VET and labour market training through the school network and the labour market training centres. The creation of the multi-functional vocational training centres has initially not included the labour market training centres due to both institutional barriers and legal issues. The creation of a market for labour market training through public tendering open to all licensed training providers can be expected to improve efficiency. However, it may be useful to investigate further ways of establishing closer relations between the two networks to ensure improvements in efficiency and effectivity.

Presently, the system for the recognition of vocational competencies acquired through formal, non-formal and informal learning remains to be developed and implemented. Though both labour market training and initial vocational education programmes are modularised, the modules are not homogenised and thus do not facilitate the continued development of the national qualifications framework. There are no possibilities for horizontal transfers from labour market training to vocational education and eventually to progress to some form of higher education. Lithuania may want to further develop the overall flexibility of its VET system to address also the needs of the considerable number of people who throughout the nineties did not acquire basic education let alone a

vocational qualification. Though many aspects of the plans incorporate important principles of lifelong learning, Lithuania does not as such have a strategy for lifelong learning. It has been decided to develop such a strategy and care should be taken to address these issues.

This large group of people without a qualification poses a major challenge. Firstly, additional preventive measures are required in basic school to reduce the number of early school leavers. Secondly, the overall quality and relevance of education and training must be improved in order to avoid the continued existence of a large group of un-qualified people. The guidance and counselling system may have an important role to play but presently remains underdeveloped with only about 10-15% receiving some form of guidance in secondary schools.

Participation in initial vocational education has been decreasing in spite of the attention paid to reforming and aligning the system towards the needs of the labour market and the individuals. Also participation in continuing training is low at approximately 4% of the working age population.

Lithuania has expressed its intention to address a number of the key issues raised here. Within the framework of the Phare Programme, assistance will be provided in 2002-03 for the development of a national strategy for lifelong learning together with a prioritised action plan for its funding and implementation. The strategy will be developed in an integrated fashion alongside strategies for the related areas of continuing vocational education, careers guidance and quality assurance. It will include quantifiable targets and a detailed financing plan defining a combination of financing from public budgets, from employers, and from individuals.

The present Lithuanian employment services were created in 1991. Since then it has been able to create a modern organisation with skilled staff. The network of public employment agencies ensures **access all over the country** and structures for social dialogue are in place. The LLE has **embraced information technologies** to improve its services and continues to do so. A monitoring system has been established but should be further developed. Co-operation with foreign partners is well established and is seen as very important in the future development and improvement of the LLE.

However, there are still remaining issues and problems, which need to be addressed. Most are related primarily to the **lack and uncertainty of financial resources devoted to active labour market measures and core employment service activities**. Lithuanian expenditure on all three categories of expenditure - on core employment service, active measures, and passive benefits - is very low compared to typical levels in EU Member States. A possible solution for the problem is presented in the draft of the Concept for Reorganisation of Unemployment Insurance, but it appears that a lack of finance in the overall state budget will prevent full implementation of these proposals.

The extremely large variation in resources across areas of the country is another major problem. This leads to both **quantitative and qualitative differences in the service level** from one territorial labour exchange to another. The ongoing Twinning programme "Preparation for Participation in the European Employment Strategy" is expected to propose appropriate ways of improving the structure of the LLE to be better suited to implement modern employment policies.

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ANNEXES

Figure 1. VET regulating laws of the Republic of Lithuania

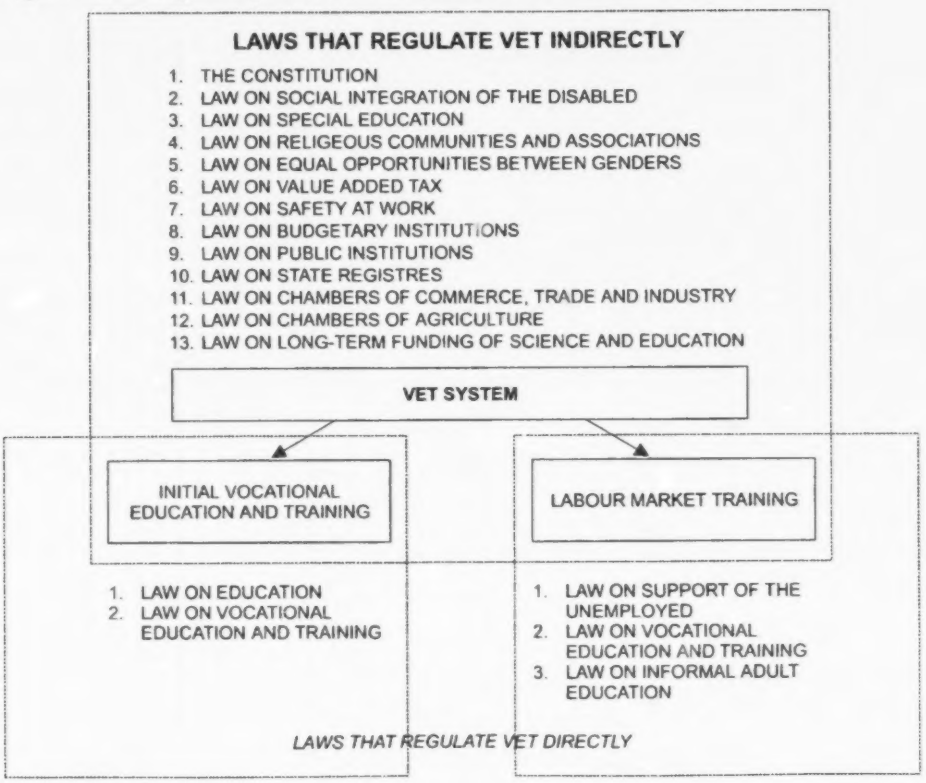
LAWS THAT REGULATE VET INDIRECTLY
1. THE CONSTITUTION
2. LAW ON SOCIAL INTEGRATION OF THE DISABLED
3. LAW ON SPECIAL EDUCATION
4. LAW ON RELIGEOUS COMMUNITIES AND ASSOCIATIONS
5. LAW ON EQUAL OPPORTUNITIES BETWEEN GENDERS
6. LAW ON VALUE ADDED TAX
7. LAW ON SAFETY AT WORK
8. LAW ON BUDGETARY INSTITUTIONS
9. LAW ON PUBLIC INSTITUTIONS
10. LAW ON STATE REGISTRES
11. LAW ON CHAMBERS OF COMMERCE, TRADE AND INDUSTRY
12. LAW ON CHAMBERS OF AGRICULTURE
13. LAW ON LONG-TERM FUNDING OF SCIENCE AND EDUCATION
VET SYSTEM
INITIAL VOCATIONAL EDUCATION AND TRAINING
LABOUR MARKET TRAINING
1. LAW ON EDUCATION
2. LAW ON VOCATIONAL EDUCATION AND TRAINING
1. LAW ON SUPPORT OF THE UNEMPLOYED
2. LAW ON VOCATIONAL EDUCATION AND TRAINING
3. LAW ON INFORMAL ADULT EDUCATION
LAWS THAT REGULATE VET DIRECTLY

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Figure 2. Management Structure of the Ministry of Education and Science

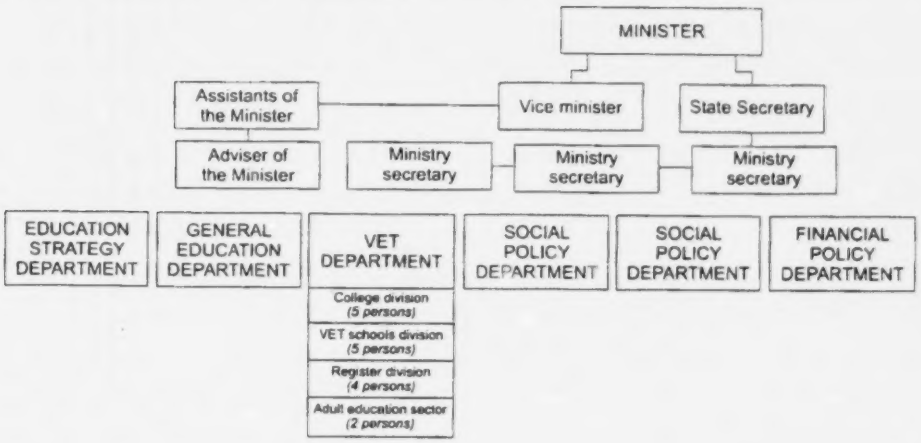

Figure 3. Structure of the Lithuanian Labour Market Training Authority

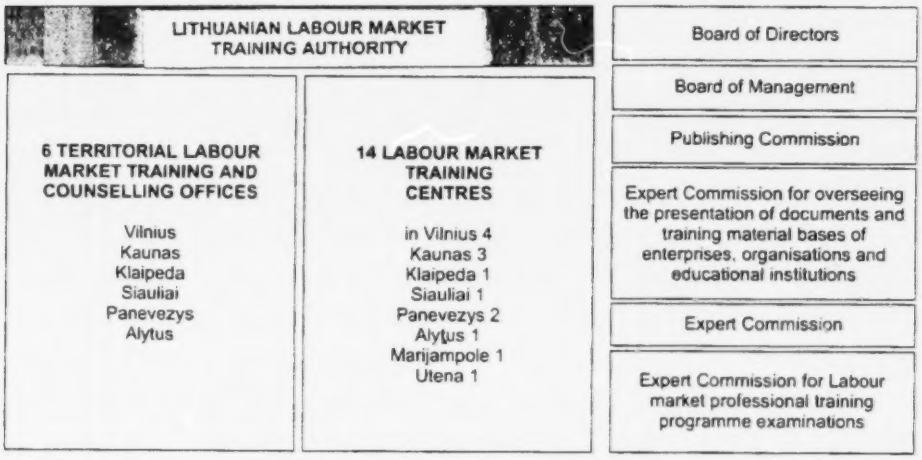

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Figure 4. National Budget expenditure on education

	Total, thousand litas				Compared with total national budget expenditure, %			
	1995	1999	2000	2001	1995	1999	2000	2001
Total	1,350,390	2,787,578	2,704,121	2,949,302	21.8	30.6	28.6	29.4
Pre-school education	179,603	402,543	387,914	394,694	2.9	4.4	4.1	4.0
General education schools	624,872	1,325,573	1,300,458	1,412,585	10.1	14.6	13.7	14.1
Boarding schools	75,907	142,751	135,287	131,070	1.2	1.6	1.4	1.3
Vocational schools	98,950	177,701	174,246	172,895	1.6	2.0	1.8	1.7
College-type schools and colleges	59,665	122,722	121,155	119,758	1.0	1.3	1.3	1.2
Universities	176,388	351,776	321,863	441,608	2.9	3.9	3.4	4.4
Support for non-state educational institutions	...	1,677	1,987	–	...	0.02	0.02	...
Other educational institutions	72,946	159,720	160,763	158,179	1.2	1.8	1.7	1.6
Other educational functions	57,228	87,294	87,504	105,311	0.9	1.0	0.9	1.1

Information source: Statistics Lithuania, Education 2002

Figure 5. Education and training expenses per student (Litas)

Type of training institution	1994	1995	1996	1997	1998	1999	2000	2001
Vocational school	891	1,917	2,204	2,719	2,850	3,337	4,084	4,295 (~ € 1,245)
College-type school, college	1,095	2,485	3,232	3,586	3,813	3,914	3,787	3,871 (~ € 1,122)

Information source: Ministry of Education and Science

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Figure 6. Expenditure on labour market active measure and continuing training from the Employment Fund, 1997-2001

Expenditure	1997		1998		1999		2000		2001		2002*	
	Thousand litas	%	Thousand litas	%	Thousand litas	%	Thousand litas	%	Thousand litas	%	Thousand litas	%
on labour market active measures	40,408.2	100	56,456.3	100	54,903.8	100	39,112.8	100	59,545.6	100	75,432.0	100
for vocational training	21,138.4	52.3	27,483.6	48.7	28,644.2	52.2	17,066.8	43.6	25,137.8	42.2	30,619.0	40.6

**confirmed*
Information source: Ministry of Social Security and Labour

Figure 7. Hours spent in continuing vocational training courses per participant, 1999

Hours in CVT courses per participant											
by gender:			by size of enterprise:			by economic activity of enterprise:					
MF	M	F	10-49 employees	50-249 employees	250 or more employees	NACE K Real estate, renting and business activities	NACE J Financial intemediation	NACE G Wholesale and retail trade	NACE D Manufacturing	NACE O Community, social and personal services	NACE C, E, F, H, I Other fields
41	42	40	48	39	41	48	29	45	39	19	45

Information source: CVTS2

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Figure 8. Percentage of payroll costs of CVT courses provided by enterprises and expenditure per individual on training, 1999

Costs of CVT courses as a percentage of total labour costs of all enterprises	Structure of costs per employee for CVT courses in 1999			
	Total costs	of which:		
		Labour costs of participants	Direct costs	Other contributions (+) or receipts (-)
%	PPS Euro	PPS Euro	PPS Euro	PPS Euro
0.8	133	56	78	-1

Information source:CVTS2

Figure 9. Number of schools, 1995-2002

Establishments	1995-1996	1998-1999	1999-2000	2000-2001	2001-2002
Vocational schools	106	104	104	84	81
College type school	67	70	69	57	41
Colleges	-	-	-	7	16
Universities	15	15	16	19	19

Figure 10. Vocational school training programmes distribution in counties by fields of education

	County										
	Alytaus	Kauno	Klaipedos	Marijampoles	Panevezio	Siauliu	Taurages	Telsiu	Utenos	Vilniaus	Total
Architecture and building	7	15	8	5	6	17	2	3	5	18	86
Manufacturing and processing	9	29	8	3	10	13	1	2	5	17	97
Engineering and engineering trades	13	29	19	5	16	14	6	7	6	34	149
Arts	5	6	2		2	5				5	25
Personal services	7	21	11	3	6	15	3	3	6	12	87
Social services	1	4	1		1					2	9
Health care		1									1
Transport services		1	5							4	10
Business and administration	5	29	18	5	12	25	3	4	8	31	140
Agriculture, forestry and fishery	1	2	2	1	4	3		2	3	2	20
Total	48	137	74	22	57	92	15	21	33	125	624

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Figure 11. Participation rates by levels of education, (%)

ISCED 1997	1996	1997	1998	1999	2000
Lower secondary (general and vocational) education (level 2)					
Gross	90.9	93.4	94.5	92.9	95.2
Net	87.8	90.1	87.5	87.2	88.7
Upper secondary (general and vocational) education (level 3)					
Gross	78.4	79.8	84.2	92.7	94.3
Net	58.8	63.4	63.4	57.8	64.5
Post-secondary education (level 4)					
Gross	4.2	4.5	4.9	5.3	6.4
Net	2.2	2.5	2.8	2.9	3.7
First stage of tertiary education (level 5)					
Gross	16.0	18.9	21.1	24.0	23.4
Net	9.2	10.7	11.7	12.9	12.5
Higher non-university education and universities (level 5)					
Gross	17.8	20.8	23.3	26.5	31.1
Net	12.6	14.4	16.3	17.8	20.3
Doctorate studies (level 6)					
Gross	0.6	0.6	0.8	0.9	0.9
Net	0.3	0.3	0.4	0.4	0.4

! Note: Due to the fact that the census in Lithuania was conducted in 2001 and the data on population by age and gender has not been calculated yet. Statistics Lithuania recommends to use the data for participation rate in education of the year 2000.

Figure 12. Students in all types of educational establishments (thousands)

At the beginning of the academic year	Total numbers of students thousands	of which				
		general education schools	vocational schools	college-type schools	colleges	universities
1990 – 1991	686	525	48	46	–	67
1991 – 1992	661	517	46	37	–	61
1992 – 1993	641	513	42	31	–	55
1993 – 1994	633	511	45	24	–	53
1994 – 1995	644	524	45	24	–	51
1995 – 1996	665	538	49	24	–	54
1996 – 1997	685	548	52	26	–	59
1997 – 1998	713	562	54	30	–	67
1998 – 1999	739	574	56	34	–	75
1999 – 2000	767	592	52	39	–	84
2000 – 2001	787	604	47	37	3	96
2001 – 2002	797	603	45	32	10	107

Information source: Statistics Lithuania, Education 2001

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Figure 13. Enrollment rate by level of education, 2000-01 (%)

Level of education	Enrollment rate %	
	2000	2001
In all levels	100	100
Pre-primary education	10.1	10.0
Primary education	24.2	22.3
Basic general education:	37.0	37.1
Basic vocational education	0.9	0.9
Secondary general education	7.8	8.7
Secondary vocational education	3.7	3.4
Post-secondary vocational education	0.8	0.9
College-type education	4.2	3.6
Higher education (both university and non-university)	11.1	13.0
Doctoral studies	0.2	0.2

Information source: Statistics Lithuania, Education 2002

Figure 14. Enrollment rate by different types of education, 2000-01 academic year

Age of those participating in training	General education	Basic vocational education	Secondary vocational with matura	Secondary vocational with qualification only	Post-secondary vocational education	Higher education (including college-type college and universities)	All types of education
14-19 year olds	75.0	2.2	8.7	1.3	1.3	11.5	100
20-25 year olds	10.9	1.1	3.2	0.4	2.9	81.5	100

Information source: National Observatory country report, 2001

Figure 15. Adult education in vocational and college-type schools, colleges and universities

School type	Number of students					
	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
Vocational schools	8,326	6,839	6,458	5,765	4,473	5,960
College-type schools	3,625	3,462	3,695	3,976	4,813	3,560
Colleges	-	-	-	-	-	596
Universities	16,361	16,297	18,666	15,069	15,260	21,911
Total	28,312	26,598	28,819	24,810	24,546	32,027

Source, Statistics Lithuania, Education 2001

Figure 16. List of general subjects compulsory in college-type schools curriculum

Labour and civil security	30 hours
Law	60 hours
Business economy	80 hours
Physics, chemistry (only in technology study programmes)	70 hours
Mathematics (in art and music programmes- not compulsory)	100 hours
ICT	60 hours
National language culture and professional terminology	60 hours
Foreign language	180 hours
Philosophy or sociology	60 hours

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Figure 17. Industrial Lead Bodies in the following areas:

1. Teacher training;
2. Applied arts, refined handicrafts, design, printing trades;
3. Business, retail trade, management, administration, office services;
4. Finances (banking, accounting, insurance, taxes, etc.);
5. Health care, social work;
6. Constructions and wood processing;
7. Energetics, electro-technics, electronics, telecommunications;
8. Mechanics, mechanic repairs, metal processing;
9. Chemistry and oil industry;
10. Light industry (textile, clothes making, footwear manufacturing etc.);
11. Agriculture, forestry, fishery, food processing;
12. Household and household services;
13. Transportation and transit services;
14. Tourism, hotels, restaurants, public catering.

Figure 18. Designing of the VET-standards

Legitimised in year	No	Qualification (speciality)	VET level	Type of school - training provider
1998	1.	General nurse	V	College type
1999	1.	Accountant	IV	College type
	2.	Ergotherapist's assistant	IV	College type
	3.	Kinezitherapist's assistant	IV	College type
	4.	Joiner	III	Vocational school
	5.	Builder	III	Vocational school
	6.	Waiter-bartender	III	Vocational school
2000	1.	Tourism administrator	V	College
	2.	Business manager	V	College
	3.	Social worker	V	College
	4.	Fireman rescuer	III	Vocational school
	5.	Policeman	III	Vocational school
	6.	Frontier-guard	III	Vocational school
	7.	Insurance services sales agent (experimental)	III	Vocational school
	8.	Tourism administrator (experimental)	V	College
	9.	Travel agent (experimental)	III	Vocational school

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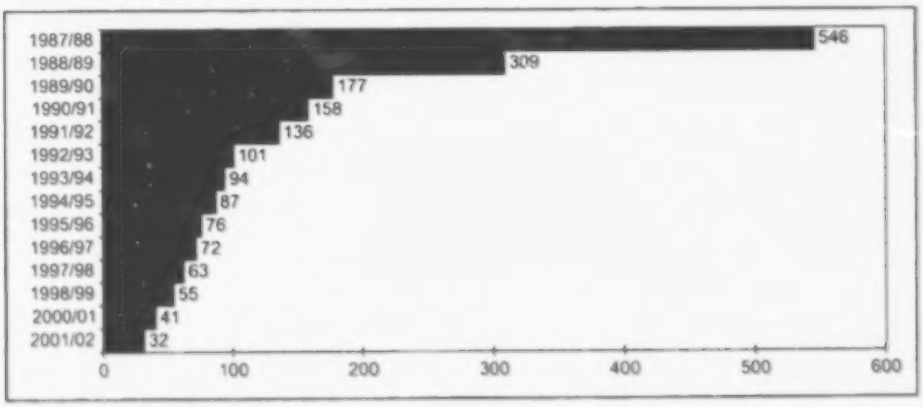
Legitimised in year	No	Qualification (speciality)	VET level	Type of school - training provider
2001	1.	Heat energy engineer	V	College
	2.	Biomedical diagnosis technologist	V	College
	3.	Dental technician	V	College
	4.	Pharmacy technician	V	College
	5.	Car mechanic	III	Vocational school
	6.	Electrician for electricity mechanisms	III	Vocational school
	7.	Secretary	III	Vocational school
	8.	Tailor	III	Vocational school
	9.	Teacher of pre primary age children	V	College
	10.	Nurse	III	Vocational school
	11.	Primary school teacher	V	College
	12.	General school music teacher	V	College
	13.	Interpreter of sign language	V	College
	14.	Dairyman	III	Vocational school
	15.	Forestry worker	III	Vocational school
	16.	Veterinary assistant	V	College
	17.	Rural tourism manager	V	College
	18.	Geodesy engineer	V	College
	19.	Green plantations design engineer	V	College

Information source: Methodological Centre for VET 2001

Figure 19. Number of 5 – 12 grade students per computer in 1987 – 2001



Information source: Statistics Lithuania, Education 2001

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Figure 20. Educational attainment rates of the population (25-64 year olds), (%)

	Percentage of Individuals having completed Education Level				
Males	ISCED Level 0-2	ISCED Level 3	ISCED Level 4	ISCED Level 5-6	
25-29 year olds	28.0	36.7	4.9	30.4	100
30-34 year olds	12.4	37.0	8.8	41.8	100
35-44 year olds	11.9	36.7	7.9	43.4	100
45-54 year olds	20.0	33.7	6.9	39.4	100
55-64 year olds	48.0	17.9	4.5	29.6	100
25-64 year olds	22.6	32.7	6.8	37.9	100
Females					
25-29 year olds	18.0	34.0	8.5	39.4	100
30-34 year olds	7.2	32.0	11.7	49.1	100
35-44 year olds	4.4	24.4	9.4	61.9	100
45-54 year olds	11.4	27.2	6.9	54.5	100
55-64 year olds	41.2	17.9	3.6	37.3	100
25-64 year olds	16.2	25.9	7.8	50.1	100
Total					
25-29 year olds	23.1	35.4	6.7	34.9	100
30-34 year olds	9.8	34.6	10.2	45.4	100
35-44 year olds	8.1	30.5	8.7	52.8	100
45-54 year olds	15.4	30.2	6.9	47.5	100
55-64 year olds	44.1	17.9	4.0	34.0	100
25-64 year olds	19.3	29.2	7.3	44.3	100

Information source: LFS (November 2001)

Figure 21. Participation in education/training of 25-64 year olds (%), by gender and working status

	Percentage of the relevant age group of the population			
Males	Employed	Unemployed	Inactive	
25-34 year olds	57.6	18.9	23.5	100
35-44 year olds	69.5	13.9	16.7	100
45-54 year olds	62.5	37.5	0.0	100
55-64 year olds	100.0	0.0	0.0	100
25-64 year olds	62.5	20.5	16.9	100
Females				
25-34 year olds	89.0	0.0	11.0	100
35-44 year olds	71.6	23.1	5.3	100
45-54 year olds	73.3	21.8	4.9	100
55-64 year olds	100.0	0.0	0.0	100
25-64 year olds	82.2	9.3	8.5	100
Total				
25-34 year olds	79.1	6.0	15.0	100
35-44 year olds	70.9	20.2	8.8	100
45-54 year olds	68.8	28.4	2.8	100
55-64 year olds	100.0	0.0	0.0	100
25-64 year olds	75.6	13.1	11.3	100

Information source: LFS (November 2001)

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Figure 22. Participation in education/training of 25-64 year olds (%), by gender and working status

	Percentage of the individuals whose main activity is		
Males	Employed	Unemployed	Inactive
25-34 year olds	3.4	5.0	10.8
35-44 year olds	2.0	1.7	4.3
45-54 year olds	2.0	4.5	0.0
55-64 year olds	0.6	0.0	0.0
25-64 year olds	2.3	3.3	2.6
Females			
25-34 year olds	12.2	0.0	6.4
35-44 year olds	4.3	7.5	2.3
45-54 year olds	2.5	4.1	0.8
55-64 year olds	0.8	0.0	0.0
25-64 year olds	5.8	4.0	1.5
Total			
25-34 year olds	7.7	3.0	8.0
35-44 year olds	3.1	4.3	3.2
45-54 year olds	2.3	4.3	0.4
55-64 year olds	0.7	0.0	0.0
25-64 year olds	4.0	3.6	1.9

Information source: LFS (November 2001)

Figure 23. Participation in education/training of 25-64 year olds (%), by gender and education attainment level

	Percentage of those whose education attainment level is				
Males	ISCED 0-2	ISCED 3	ISCED 4	ISCED 5-6	
25-34 year olds	23.4	30.1	1.8	44.7	100.0
35-44 year olds	0.0	9.6	6.8	83.6	100.0
45-54 year olds	0.0	14.1	0.0	85.9	100.0
55-64 year olds	0.0	0.0	0.0	100.0	100.0
25-64 year olds	12.5	21.2	2.7	63.5	100.0
Females					
25-34 year olds	5.2	25.6	1.7	67.5	100.0
35-44 year olds	0.0	16.4	5.3	78.3	100.0
45-54 year olds	0.0	16.2	0.0	83.8	100.0
55-64 year olds	0.0	57.0	0.0	43.0	100.0
25-64 year olds	3.0	22.2	2.5	72.3	100.0
Total					
25-34 year olds	10.9	27.0	1.7	60.3	100.0
35-44 year olds	0.0	14.3	5.7	80.0	100.0
45-54 year olds	0.0	15.3	0.0	84.7	100.0
55-64 year olds	0.0	28.8	0.0	71.2	100.0
25-64 year olds	6.2	21.9	2.6	69.4	100.0

Information source: LFS (November 2001)

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Figure 24. Qualification level of the population

	Employed	Unemployed	Inactive
Low	14.8	22.2	62.6
Medium	36.0	48.6	21.8
High	49.2	29.2	15.6
Total	100	100	100

Information source: LFS (November 2001)

Figure 25. School drop-outs[1]

Academic year	Number of drop-outs academic year	Percentage of drop-outs
Vocational schools		
1995 – 1996	4163	8.4
1996 – 1997	4730	9.1
1997 – 1998	4896	9.0
1998 – 1999	5144	9.1
1999 – 2000	4751	9.1
2000 – 2001	5558	11.8
College-type schools and colleges		
1995 – 1996	2554	10.4
1996 – 1997	2967	10.9
1997 – 1998	4126	13.4
1998 – 1999	3023	8.8
1999 – 2000	4477	11.5
2000 – 2001	4769	12.8
Universities		
1995 – 1996	5358	9.6
1996 – 1997	6542	10.9
1997 – 1998	7227	10.5
1998 – 1999	8542	11.1
1999 – 2000	8828	10.1
2000 – 2001	10376	10.6

[1] Students, who changed a particular school within the same type, excluded.
Information source: Statistics Lithuania, Education 2001

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Figure 26. Expenditure allocated to active labour market policy measures, 1997-2002

Expenditure	1997		1998		1999		2000		2001		2002*	
	Thousand litas	%	Thousand litas	%	Thousand litas	%	Thousand litas	%	Thousand litas	%	Thousand litas	%
Total expenditure from the Employment Fund	114,217.3	100	150,600.9	100	151,595.9	100	158,828.3	100	174,382.4	100	195,667.0	100
on active labour market measures	40,408.2	35.4	56,456.3	37.5	54,903.8	36.3	39,112.8	24.6	59,545.6	34.1	75,432.0	38.6

Information source: Ministry of Social Security and Labour

Figure 27. Percentage of female students (beginning of the academic year)

	Total number of students	females		Number of females per 100 males
		total	%	
Total				
1990 – 1991	673,905	338,590	50.2	101
1995 – 1996	664,572	336,348	50.6	102
2000 – 2001	787,347	399,855	50.8	103
2001 – 2002	796,730	405,894	50.9	104
General education schools				
1990 – 1991[1]	513,806	262,826	51.2	105
1995 – 1996	537,200	270,647	50.4	102
2000 – 2001[2]	603,824	299,252	49.6	98
2001 – 2002	602,419	297,457	49.4	98
Vocational schools				
1990 – 1991	46,382	17,266	37.2	59
1995 – 1996	49,190	19,818	40.3	67
2000 – 2001	47,005	18,892	40.2	67
2001 – 2002	45,057	18,220	40.4	68
College-type schools				
1990 – 1991	46,405	23,589	50.8	103
1995 – 1996	24,214	15,569	64.3	180
2000 – 2001	37,378	23,939	64.0	178
2001 – 2002	31,964	20,198	63.2	172
Colleges				
2000 – 2001	3,547	2,189	61.7	161
2001 – 2002	10,377	6,554	63.2	171
Universities				
1990 – 1991	67,312	34,909	51.9	108
1995 – 1996	53,968	30,314	56.2	128
2000 – 2001	95,593	55,583	58.1	139
2001 – 2002	106,913	63,465	59.4	146

1. Special schools excluded.
2. Until 2000–01 total number included preparatory classes children.
Information source: Statistics Lithuania, Education 2001

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Figure 28. Vocational school students by field of education 1996-1997 (%)

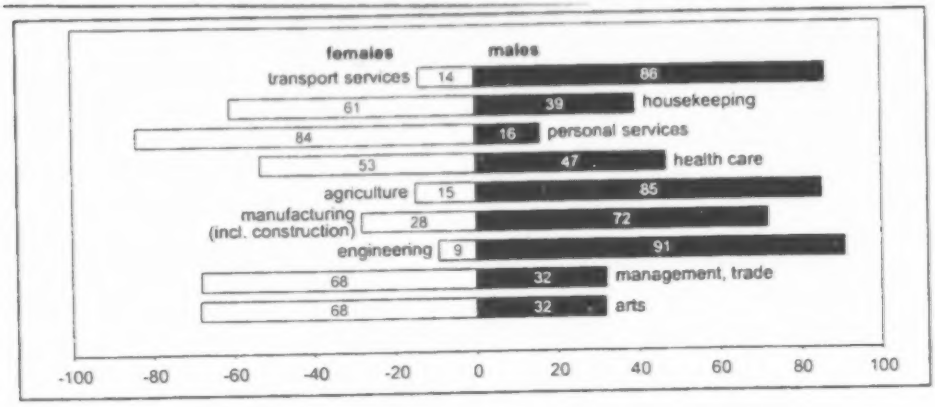


Figure 29. Vocational school students by field of education 2000-2001 (%)

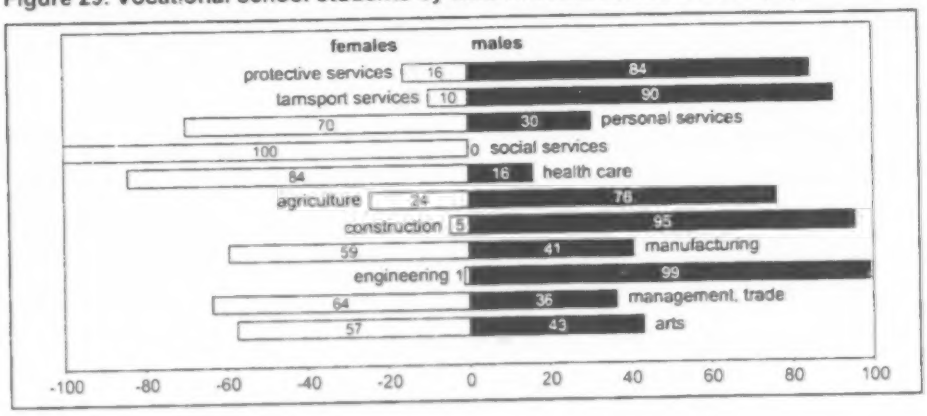
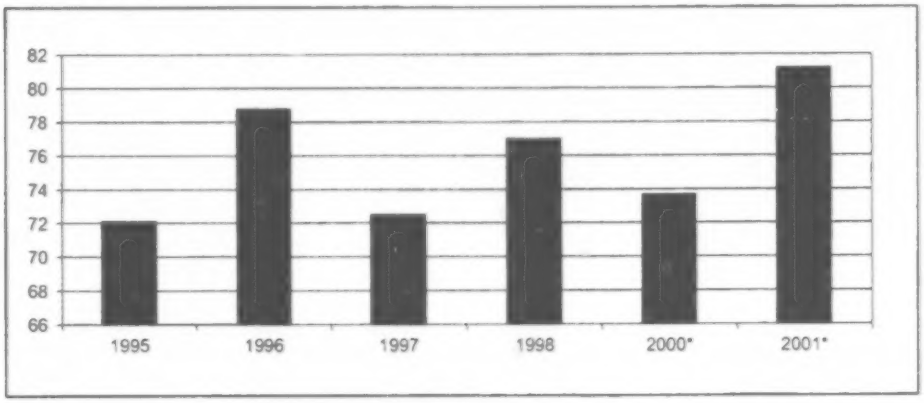


Figure 30. Number of graduates from basic education (ISCED 2) as compared to the population aged 15 (%)



** in 2000 and 2001 as compared to the population of 16 years old*
Information source: Statistics Lithuania, Education 2001

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Figure 31. Distribution of education institutions for early school leavers/drop-outs in 2002

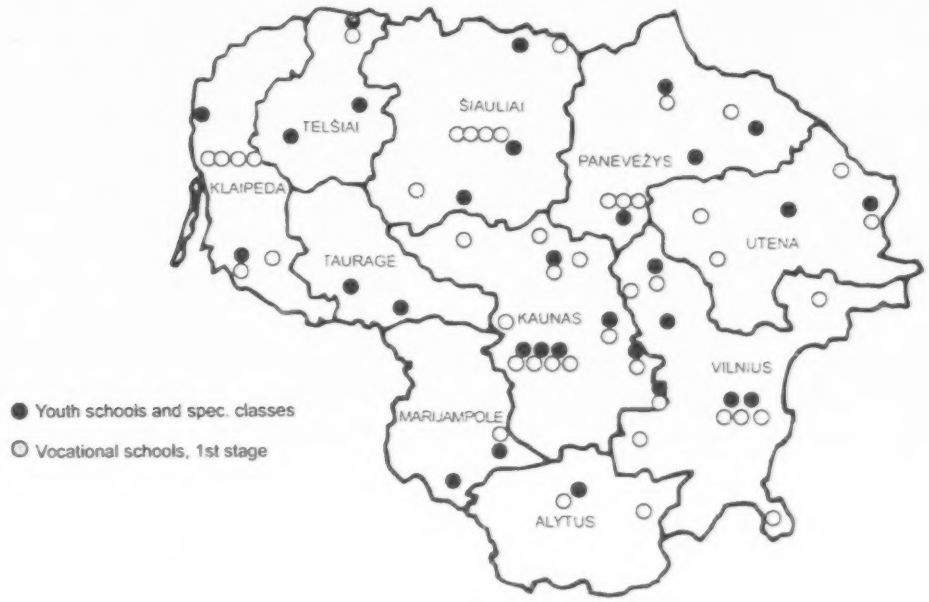

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Figure 32. Structure of Employment Expenses

	Expenses	Used														Approved
		1995		1996		1997		1998		1999		2000		2001		2002
		Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt
1.0	**Active labour market measures**	**19,952.6**	**0.0628**	**27,868.9**	**0.0883**	**40,408.2**	**0.1054**	**56,456.3**	**0.1313**	**54,903.8**	**0.1287**	**39,112.8**	**0.0866**	**59,545.6**	**0.1241**	**75,432.0**
	Including:															
1.1	Unemployment prevention	34.2	0.0001	107.3	0.0003	283.4	0.0007	519.4	0.0012	871.9	0.0020	1,074.0	0.0024	1,215.3	0.0025	1,792.0
1.2	Labour supply and demand	24.3	0.0001	49.5	0.0002	44.2	0.0001	69.1	0.0002	190.4	0.0004	900.8	0.0020	2,075.9	0.0043	5,905.7
1.3	Vocational training	13,917.4	0.0577	17,569.3	0.0557	21,138.4	0.0551	27,483.6	0.0639	28,644.2	0.0672	17,066.8	0.0378	25,137.8	0.0524	30,619.0
1.4	Employment support	5,976.7	0.0248	10,142.8	0.0321	18,942.2	0.0494	28,384.2	0.0660	25,197.3	0.0591	20,071.1	0.0445	31,116.7	0.0649	37,115.3
	Including:															
1.4.1	Disabled	581.9	0.0024	1,301.5	0.0041	2,096.8	0.0055	3,153.2	0.0073	2,379.8	0.0056	1,810.6	0.0040	3,265.2	0.0068	
1.4.2	Socially vulnerable persons	1,786.8	0.0074	1,712.0	0.0054	2,686.0	0.0070	3,669.6	0.0085	1,835.1	0.0043	1,448.9	0.0032	2,527.2	0.0053	
1.4.3	Setting up of own business	1,538.6	0.0064	797.9	0.0025	623.0	0.0016	519.9	0.0012	190.7	0.0004	182.8	0.0004	262.6	0.0005	
1.4.4	Public works	2,069.4	0.0086	4,026.4	0.0128	5,503.3	0.0144	12,299.4	0.0286	14,396.4	0.0338	13,336.9	0.0295	20,032.8	0.0418	
1.4.5	Works supported from the employment fund	0.0	0.0000	2,305.0	0.0073	8,033.1	0.0210	8,742.1	0.0203	6,395.3	0.0150	3,291.9	0.0073	5,028.9	0.0105	
2.0	**Maintenance of labour market institutions**	**16,394.0**	**0.0680**	**21,696.2**	**0.0687**	**24,477.6**	**0.0638**	**42,606.6**	**0.0991**	**35,724.7**	**0.0838**	**38,834.1**	**0.0860**	**42,640.2**	**0.0889**	**47,716.0**
	Including:															
2.1	Lithuanian Labour Exchange	13,944.0	0.0579	18,474.9	0.0585	20,717.0	0.0540	36,494.8	0.0849	30,711.5	0.0720	33,966.7	0.0752	36,775.2	0.0767	41,451.0
2.2	LMTA	2,450.0	0.0102	3,221.3	0.0102	3,760.6	0.0098	6,111.8	0.0142	5,013.2	0.0118	4,867.4	0.0108	5,865.0	0.0122	6,265.0
3.0	**Labour market research**	**157.3**	**0.0007**	**423.0**	**0.0013**	**215.2**	**0.0006**	**238.0**	**0.0006**	**252.3**	**0.0006**	**230.0**	**0.0005**	**246.0**	**0.0005**	**310.0**

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	Expenses	Used														Approved
		1995		1996		1997		1998		1999		2000		2001		2002
		Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt	% in GDP	Thousand Lt
4.0	**Joint projects with foreign countries**	**1,574.1**	**0.0065**	**22.2**	**0.0001**	**87.8**	**0.0002**	**549.9**	**0.0013**	**123.2**	**0.0003**	**145.6**	**0.0003**	**409.0**	**0.0009**	**720.0**
5.0	**Passive labour market policy measures**	**32,752.3**	**0.1359**	**51,802.8**	**0.1641**	**49,028.5**	**0.1279**	**50,750.1**	**0.1181**	**60,591.9**	**0.1421**	**80,438.0**	**0.1782**	**71,541.6**	**0.1491**	**71,489.0**
5.1	Unemployment benefits	32,752.3	0.1359	51,802.8	0.1641	49,028.5	0.1279	50,750.1	0.1181	60,591.9	0.1421	80,438.0	0.1782	71,541.6	0.1491	59,489.0
	Pre-retirement unemployment benefits															12,000.0
	"Leonardo da Vinci" Phare											67.8	0.0002			
6.0	**Reserve**											**0.0**	**0.0000**			
7.0	**Total expenditure**	**70,830.3**	**0.2939**	**10,1813.1**	**0.3225**	**114,217.3**	**0.2979**	**150,600.9**	**0.3503**	**151,595.9**	**0.3554**	**158,828.3**	**0.3518**	**174,382.4**	**0.3635**	**195,667.0**
	Received from State Social Insurance Fund Budget, thousand Lt						**110,700**		**149,000**		**154,791.2**		**162,746.5**		**177,700**	
	GDP, thous. Lt		**24,103,000**		**31,569,000**		**38,340,000**		**42,990,000**		**42,655,000**		**45,148,000**		**47,968,000**[58]	

58 Preliminary data

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Figure 33. Data by Lithuanian Labour Exchange to the Report on Joint Assessment Paper

	Indicator	1998	1999	2000	2001
1	**Registered unemployed by gender, annual average**	**113,688**	**148,655**	**204,908**	**223,480**
1.1	Males	55,610	76,731	111,579	119,179
1.2	Females	58,078	71,924	93,329	104,301
2	**Average unemployment benefit, Lt**	**187.6**	**191.4**	**186.9**	**182.9**
3	**Average number of beneficiaries of unemployment benefits as % of unemployed**	**17.1**	**16.6**	**15.7**	**14.1**
4	**Participants in active labour market measures (by gender, type of measures)**	**10,830**	**10,074**	**7,002**	**10,760**
4.1	Males	5,123	4,941	3,694	5,775
4.2	Females	5,707	5,133	3,308	4,985
4.3	Unemployment prevention programme	139	210	177	275
4.4	Vocational training	4,601	3,772	2,128	3,733
4.5	Public works	3,935	4,181	3,708	5,493
4.6	Supported works	1,396	1,038	454	752
4.7	Job clubs	759	873	535	507
4*	Involvement into active labour market measures by gender, type of measures, per year	71,379	76,145	86,260	106,582
4*.1	Males	35,261	39,291	47,098	58,300
4*.2	Females	36,118	36,854	39,162	48,282
4*.3	Unemployment prevention	1,080	1,720	1,782	2,603
4*.4	Vocational training	16,146	12,569	11,659	17,000
4*.5	Public works	21,451	23,315	26,823	34,560
4*.6	Supported works	5,454	4,256	2,539	3,839
4*.7	Job clubs	25,599	32,967	42,368	46,871
4*.8	Setting up of own business	123	47	43	59
4*.9	Placement into newly established jobs	1,526	1,271	1,046	1,650
5	**Participants active labour market measures as % to unemployed (by gender), annual average**	**9.5**	**6.8**	**3.4**	**4.8**
5.1	Males	9.2	6.4	3.3	4.8
5.2	Females	9.8	7.1	3.5	4.8
6	**Expenditures on passive and active measures (as % of GDP)**				
6.1	Active labour market measures	0.13	0.13	0.09	0.12

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	Indicator	1998	1999	2000	2001
6.2	Passive labour market measures	0.12	0.14	0.18	0.15
7	**Expenditures by type of labour market programme/measure (passive and active), thous. Lt**	**107,966.1**	**115,761.8**	**119,877.6**	**131,429.5**
7.1	Active measure	57,216.0	55,169.9	39,439.6	59,867.8
7.1.1	Unemployment prevention	519.4	871.9	1,074.1	1,215.3
7.1.2	Labour supply and demand (Job clubs)	69.1	190.4	900.8	2,075.9
7.1.3	Vocational training	27,483.6	28,644.2	17,066.8	25,137.8
7.1.4	Employment support	28,384.2	25,197.3	20,071.1	31,116.7
7.1.4.1	Disabled	3,153.2	2,379.8	1,810.6	3,265.2
7.1.4.2	Socially vulnerable persons	3,669.6	1,835.1	1,448.9	2,527.2
7.1.4.3	Public works	12,299.3	14,396.4	13,336.9	262.6
7.1.4.4	Setting up of own business	519.9	190.7	182.8	20,032.8
7.1.4.5	Supported works	8,742.1	6,395.3	3,291.9	5,028.9
7.1.4.6	Other active policy measures	759.7	266.1	326.8	342.2
7.2	Passive measures	50,750.1	60,591.9	80,438	71,541.7
8	**Rate of return to unemployment/employment (after participation in active measures)**	**65.2 / 34.8**	**72.0 / 28.0**	**76.2 / 23.8**	**71.9 / 28.1**
9	**Ratio unemployed (registered) per PES staff, annual average**	**114**	**136**	**174**	**184**
10	**Ratio vacancies (received at PES)/ unemployed (registered), per year**	**0.4**	**0.3**	**0.3**	**0.3**
11	**Ratio placements/unemployed (registered), during the period**	**0.4**	**0.3**	**0.4**	**0.5**
12	**Share of unemployed with an individual employment plan**	**54.3**	**60.3**	**71.8**	**78.2**

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